

2020/21

Integrated Annual Report

Consolidated Management Report

AEDAS HOMES

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01 Strategic Report



Terraza de los Fresnos (Boadilla del Monte)

1.1 AEDAS Homes at a glance

Despite the extraordinary events induced by the global pandemic, AEDAS Homes posted its best ever earnings performance in FY 2020-21

AEDAS Homes attained excellent business momentum in FY 2020-21, which positioned it as the leading residential developer in Spain.

AEDAS Homes is a next-generation developer, specialised in new homes. It was set up in 2016 and its shares are listed on the Spanish stock exchange. Thanks to the best land bank in Spain, it sells sustainable, high-quality housing located in the areas experiencing strongest demand. Excellent execution of its business plan and full delivery of its guidance have earned it a reputation as a hallmark player in the Spanish home development sector.

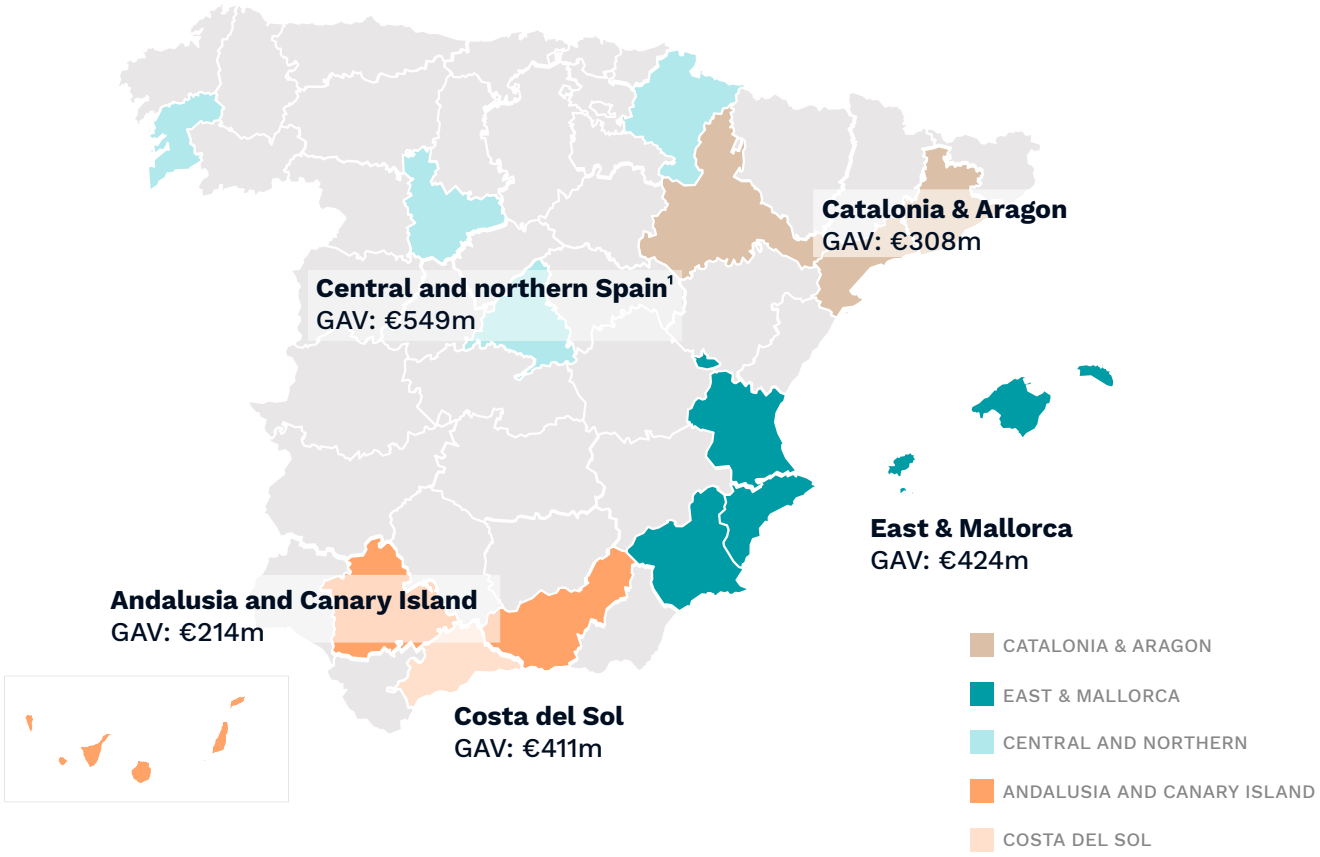
It develops sites it owns that are carefully selected for their location and other key screening criteria, including minimum return hurdles, pinpointed to enable it to tap into pockets of demand.

At the heart of our development platform lies our prestigious team of professionals who boast extensive experience in the home development sector and enjoy the backing of an independent Board of Directors. The Company's agile and decentralised business model, articulated around six regional units, enables us to leverage local know-how, adapt to evolving market trends and focus on our customers.

Our scalable business model and sustainable and feasible business plan ensure we will be able to honour our commitment to creating quality homes for our customers and long-term value for our shareholders.

AEDAS Homes invest in Spain's most dynamic residential markets due to their demand.

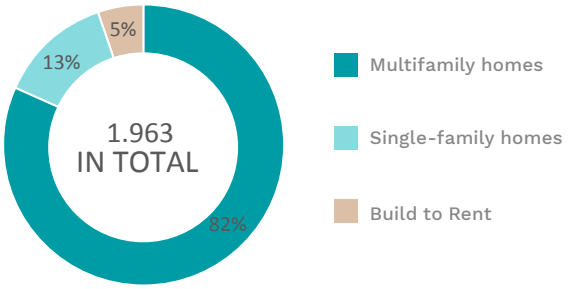
AEDAS Homes in Spain



[1] The opening of the Northern Territorial Directorate took place in April 2021

The homes we build

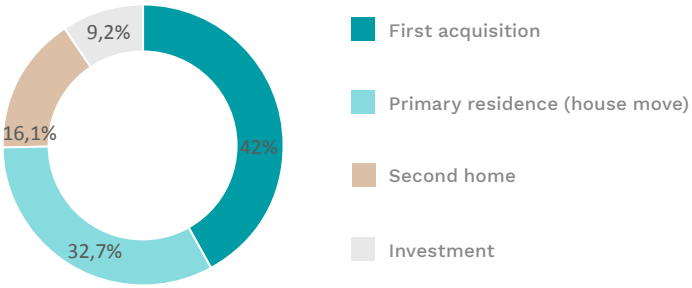
We build high-quality sustainable homes in Spain for the private home buyer and the institutional build-to-rent segments.



Some **83%** of the units delivered in 2020-21 boast compelling sustainability credentials.

Customer profile

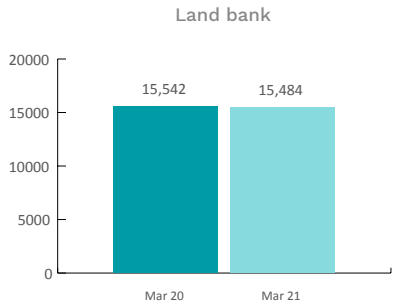
Most of AEDAS Homes' customers are first-time home buyers.

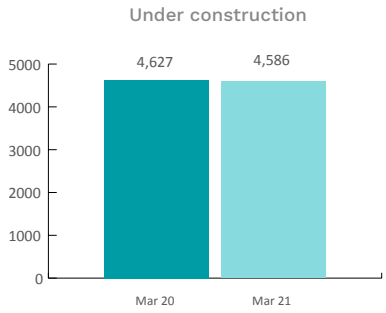


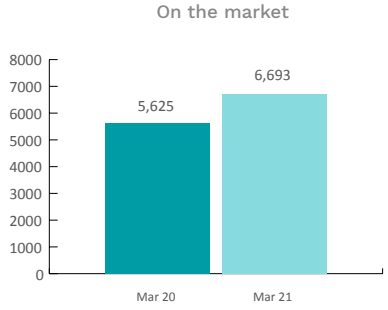
92% of AEDAS Homes' customers are Spanish.
The remaining **8%** are overseas buyers.

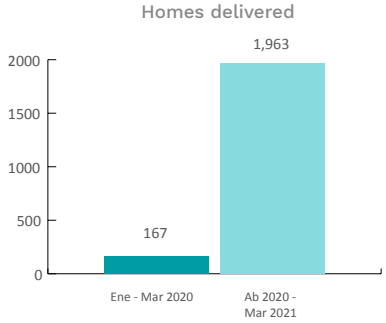

Dampier (El Masnou)

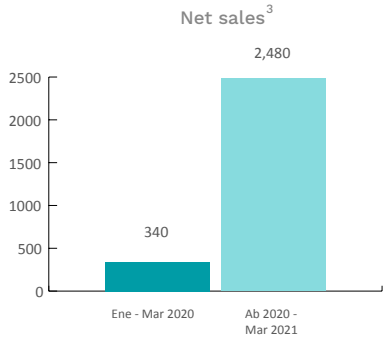
Key indicators[2]

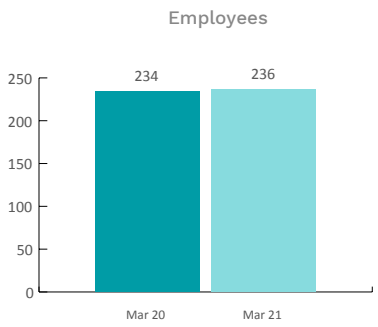


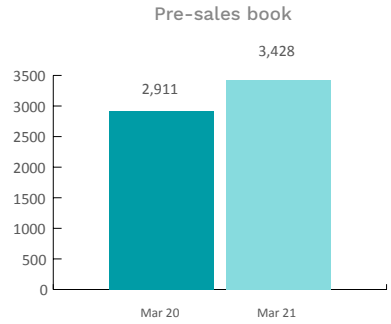












[2] All figures in units as of 31 March 2021, except Employees
[3] It includes BtS (1.537) and BtR (943)

A unique approach to residential development

Land purchase

- Exclusive focus on areas with proven long-term demand dynamics, concentrated in five key Spanish regions.
- The regional teams have in-depth knowledge of the local land markets, enabling them to find off-market deals.
- Due diligence, negotiations and closings are centralised.
- The capital structure and liquidity position create room for small and large acquisitions

Decentralised and scalable business model

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

Sales strategy

- Customer-centred marketing approach
- In-depth market studies to ensure optimal product definition
- Focus on private sale segment, complemented by the build-to-rent segment, a growing business line.
- Innovative use of technology at all customer touch points

Prudent ramp-up approach to development

- Nationwide risk controls and investment/project management
- Continuous fine-tuning of the capital structure
- Responsibility: results-oriented remuneration
- Focus on preserving margins and ROE

1.2 Chairman's Statement

Dear Shareholders:

Your Company has navigated the 2020-21 COVID storm with confidence and craftmanship. Unlike any other year in recent memory, 2020 was shaped by experiences beyond our control, with the global pandemic causing significant disruption at every level of society and the economy. Nevertheless, the Company is delivering its **strongest operating results to date**, and this result could not have been achieved without the **resilience, drive and commitment** of the AEDAS Homes team, which demonstrated true **leadership** by responding quickly and decisively in the face of uncertainty.

Responding decisively

The Board supported the Company's management team in their **swift response to the outbreak of COVID-19** in Spain in mid-March last year and monitored the situation closely as the pandemic evolved. The Company had been delivering a strong performance up to that date, and thanks to its **effective management at the outset of the health crisis**—especially in terms of protecting its employees, pivoting seamlessly to remote working while keeping all teams in constant contact and instituting strict safety protocols across all construction sites to safeguard the health of all subcontractors and suppliers—this **performance continued uninterrupted**.

The Company also started with a strong financial position that was only reinforced by a **strategy to protect and preserve capital**, which included exercising extraordinary cost discipline, holding back on investment for a period, and postponing payment of the dividend originally scheduled for November 2020. Doing so enabled the Company to focus on the challenges at hand, which will ultimately ensure that it will be able to honour its commitments to its shareholders.

"AEDAS Homes team has demonstrated true leadership by responding quickly and decisively in the face of uncertainty"

Delivering a strong financial performance

From 1 April 2020 to 31 March 2021, AEDAS Homes **delivered a total of 1,963 units**, including the Company's first turnkey Build to Rent development. These deliveries brought in **total revenues of €671.9 million and EBITDA of €133.2 million** and reflect the Company's capacity to continue its ramp-up and deliver on its Business Plan targets, despite the adverse context.

Shareholder remuneration

AEDAS Homes has established a **Shareholder Remuneration Policy based on four pillars**: (i) the volume of net results generated by the Company through its activity, (ii) visibility on cash generation, (iii) debt ratios and the necessary liquidity level to maintain organic growth and (iv) any other strategic operations that may be considered in the future. The company envisages a form of p**ayment that can be both in cash and through the delivery of own shares**.

The resolutions adopted by the Annual General Meeting and the Board of Directors to execute the Shareholder Remuneration Policy take into account the provisions of applicable legislation and **Good Corporate Governance practices** and are also in line with general recommendations of good governance recognised internationally.

On this basis, the Board of Directors, at its meeting on 7 May 2021, agreed to the following:

1. To propose to the AGM, on an annual basis, the distribution of **ordinary dividends equivalent to 50% of net profit** up through fiscal year 2023-24

2. The possibility of **supplementing ordinary dividends** with extraordinary dividends that may be approved based on the cash generated by the sale of land during the fiscal year and the Company's sales performance

3. To ensure dividend distribution is **in line with the Company's debt threshold of 20% of Loan-to-Value** (net debt over gross asset value).

4. To propose the **distribution of a dividend of €1.40 per share out of 2020-21 results**, in line with the following breakdown:

- an ordinary dividend of €0.90 per share; and
- an extraordinary dividend of €0.50 per share.

The Board of Directors reserves the right to modify this policy in the event of any relevant changes that could affect the Company's results or its financing needs and thus render its maintenance impractical. This includes, but is not limited to, changes in macroeconomic conditions or the decision to carry out important corporate transactions or acquisitions that would have significant weight in this decision.

Board engagement with stakeholders

The Board, and I personally, have **taken great care in ensuring that our stakeholders' health was not compromised, and our teams' morale was not soured by the pandemic**. Facing uncertain diagnostics and a hard response to the problem from public officials, both the measures that we adopted and our risk identification and control system have ensured the Company's protection. This was bolstered by the strength of our financial position and the quality of our assets.

Industry outlook

Although the Spanish economy has suffered significantly during the pandemic, in the residential development sector, the COVID-19 health crisis has confirmed **two fundamental aspects of our industry**: first, that there is an **undeniable shortage of desirable housing in major cities**; and second, that **homebuilders lacking scale and diversified financial sources are struggling and are likely to continue to do so**. We are convinced that these trends will become more apparent and more widely understood over the coming years and that **AEDAS Homes will benefit significantly from this situation**. Our company is not a macro play on the Spanish economy—it is an investment in a growing industry with fast-changing shapes and features.

Board appointments and evaluation

AEDAS Homes has an experienced, **committed, independent Board** that believes that **effective corporate governance** serves as the foundation for the kind of sustainable growth that **contributes to value creation** for its shareholders.

In October 2020, the Board welcomed **Javier Martinez-Piqueras**, who was **appointed independent director** for the statutory period of three years, upon the expiration of the nomination of Emile H. Haddad, who left the Board after ably serving since 2017. Javier brings wide-ranging experience advising large company boards at a global level on capital and equity related solutions, and his deep understanding of the real estate sector will be an asset to the Board. His appointment is subject to further ratification at the next Annual General Meeting.

In accordance with the Spanish Capital Corporations Law and the CNMV Corporate Governance Code, the Board once again carried out its annual self-assessment. All directors actively participated in the process and contributed their comments and suggestions for improvement.

"The Board, and I personally, have taken great care in ensuring that our stakeholders' health was not compromised, and our teams' morale was not soured by the pandemic"

Leading the way to a sustainable future

With the goal of achieving sustainable, long-term growth and generating value for shareholders, the Company dedicated significant time and effort in 2020-21 to designing an ESG Strategic Plan for the coming years. This Plan, which was **approved unanimously** in an extraordinary Board meeting in April 2021, defines the Company's strategic ESG priorities, sets clear objectives, translates them into **concrete actions for the short, mid and long term**, and establishes the **governance and monitoring model** to ensure its compliance and supervision.

By approving this Plan and the resources needed to make it a success, the Board is **recognising the risks related to climate change** and is communicating its **commitment to those areas where AEDAS Homes can make a measurable difference**, especially in terms of building sustainable cities and communities, fostering opportunities for decent work and economic growth, and making contributions to industry, innovation and infrastructure.

The Audit and Control Committee will closely monitor the progress and results of the Plan, and the Company will be communicating this progress to its stakeholders on a regular basis.

Annual General Meeting

We will be holding our **Annual General Meeting on Friday, 18 June 2021**. As our main priority is the safety of our shareholders and employees, we will be making a decision in line with guidance from Spanish health authorities as to how the AGM will be held and as we get closer to the date, further details will be announced.

Looking ahead

As we move into our maturity stage in terms of homes delivered and the optimization of operations, we are confident that our story will be seen with a clearer lens by the media and the capital markets. You can remain assured that your Board and your Executive team will spare no efforts to ensure our continuing success. Thank you for your trust.



Santiago Fernández Valbuena
Chairman of the Board of Directors

1.3 Chief Executive's Statement

The 2020-21 fiscal year was defined by the unprecedented Covid-19 health crisis, strict mobility restrictions across Spain and the near decimation of the country's tourism industry, a drop in GDP and a rise in unemployment.

However, despite the pandemic and overall context, AEDAS Homes returned an **outstanding performance** during the tumultuous twelve-month period from April 2020 to March 2021, due largely to having faced those first few months of uncertainty from a **position of operational and financial strength**: an excellent land bank, strong order book, well-capitalised balance sheet, and healthy cash position.

Response to the Covid-19 pandemic

In the line with our company's **ongoing commitment to health and safety**, at the outset of the pandemic our first priority was to **protect and support our employees, customers, contractors and suppliers** by implementing a series of measures to safeguard their health and well-being. We also offered customers the possibility of requesting deferment of their April and May monthly payments, with 18% of customers deciding to do so.

Our second priority was to **preserve our strong cash position**, so as to ensure the continuity of our business in the short term and position ourselves to take advantage of opportunities in the future. In our first quarter, this included temporarily suspending our land investment activity, freezing hiring, postponing all non-essential expenditures and drawing down available developer loans to ensure seamless operating activity. In the second quarter, we successfully extended our €150 million Syndicated Facility until 2022 and under the scope of the MARF ICO COVID commercial paper state guarantee scheme, issued €34.1 million at 24 months, the maximum term permitted under this scheme.

"Despite the pandemic and overall context, AEDAS Homes has faced the uncertainty from a position of operational and financial strength"

In the third quarter, we announced the Board's decision to maintain the dividend but defer its distribution until after the presentation of FY 2020-21 financial results in May 2021, a protective measure which was designed to ensure maximum cash availability and protect the company's solvency.

Our solid financial position, reasonable level of debt and excellent visibility over future cash generation—given our strong order book going into the pandemic—afforded us **significant stability** during the period.

Land investment 2020-21

Despite our decision to hold back on land investment as part of our capital preservation strategy in the first months of the pandemic, by June we had resumed our investment activity and **continued to successfully replenish our landbank** by making selective investments in areas of strong demand. In total, we acquired land for 1,945 additional units for €132.3 million in 24 transactions, bringing our landbank to 15,484 units (net of deliveries). At the March close, the landbank had an appraised GAV of €1,906 million, yielding a NAV of €33.68 per share.

Year-end operating figures and financial results

This past year, our operations teams worked around the clock to ensure that construction continued as normally as possible despite strict protocols across all our sites, which meant that any operational delays from the lockdown in the spring had no significant cumulative effect on completions by year-end. And after the easing of lockdown measures in early summer, we experienced a **strong, sustained rebound in sales activity, culminating in our best quarter ever with 617 retail units sold between January and March 2021, far above pre-Covid levels**.

By the end of December 2020, we had sold virtually all of our deliveries for FY 2020-21, which allowed us to enter the last quarter of our fiscal year with our targets fully de-risked and **hand over keys to 1,963 homes as scheduled, fully meeting our annual delivery target and marking another significant milestone in the history of our young company** - a milestone which takes on greater meaning in light of the extremely challenging circumstances of the last 12 months.

Earnings-wise, the company recorded record revenues of €671.9 million (€667.6 million from the sales of homes), a gross margin of 28.1% and net profit of €85.1 million. We closed the fiscal year in a very solid financial position: inventories of €1,394 million (up 3.8% during the twelve-month period); unrestricted cash of €123.5 million and an LTV of 12.0%.

Visibility over future delivery targets

At the time of writing this letter, the eventual outcome of the pandemic and its long-term effects on society and the economy are still far from certain. For that reason, AEDAS Homes will continue to take a **prudent approach**, sticking to our Business Plan which we designed for attainable and sustainable growth. But we can look down the road with peace of mind,

as we continue to have **strong visibility** over delivery guidance for the coming years.

Over the course of 2020-21, we **put 3,031 units on the market and broke ground on 2,599 units, bringing our total units on the market to 6,693** and **total units under construction to 4,586** at year end. Our **net sales** for the period total **2,480 units (€692.6 million)**, with 1,537 retail units and 943 Build to Rent units sold.

In terms of sales coverage for the coming years, at March close we had sold 72% of the units we plan to deliver to customers in FY 2021-22 and 40% of those scheduled for delivery in FY 2022-23. In revenue terms, the Company's **Order Book**, with **3,428 units sold**, 63% of which are under private sales contract, is valued at **€989.6 million**.

Thanks to our financial resilience, differential business model and committed team of professionals, we **ended the 2020-21 fiscal year in a very strong position** and with an **optimistic outlook**. As of today, AEDAS Homes' **ramp-up remains on track** and we expect to **hit our run-rate in 2022-23 as planned**, delivering 3,000 units annually.

Housing market fundamentals

The Spanish residential property market was significantly affected by the pandemic in 2020. The total volume of market-rate home transactions declined 14.5% year-on-year, according to year-end figures from the Ministry of Public Works and Transport. However, it was the second-hand housing market (down 16.7% in the period) that bore the brunt of the impact of the pandemic while the **new-build market** actually posted a **7.9% year-on-year increase** in the number of sales transactions registered with notaries. New-build transactions also accounted for a greater share of the total market-rate residential transactions in Spain (11.7% in 2020 compared to 9.3% in 2019).

According to a report released by IMIE TINSA for the fourth quarter of 2020, **average house prices in Spain** (both second hand and new-build homes) declined 2.3% since the State of Emergency was declared in March 2020, representing an overall 1.7% decline since December 2019. Nevertheless, prices remain 12.8% above their lows after the last economic crisis, and 34% below their pre-crisis historic maximums.

Demand for new-build housing in the key markets where AEDAS operates outstrips what the sector is currently able to deliver, resulting in undersupply. This mismatch means that prices for new-build homes—despite the adverse economic context—were unaffected during the past year.

AEDAS Homes' developments, due to their location in areas of proven demand and the amenities they offer, are **perfectly adapted to the post-Covid needs of homeowners**. Prior to the pandemic, the tastes of homebuyers had been evolving for some time, but this was accelerated by months in lockdown, which brought their needs into sharp focus: a home with a modern design;

"AEDAS Homes has reported record revenues of €671.9m, a gross margin of 28.1% and a net profit of €85.1m"

larger, well laid-out spaces that make teleworking easier; energy efficiency; a location close to cities but not in the centre; and access to private gardens or terraces. **This is a product segment that AEDAS is well positioned to deliver in**, and this was key to our strong sales results, especially in the second half of our fiscal year.

The evolution of the pandemic continues to have a significant influence in the economy, as authorities respond to new waves of infection by restricting mobility and then relaxing measures as the number of cases drops, leading to fluctuations in activity and employment. The Bank of Spain, in its 1/2021 Economic Bulletin, reported modest quarter-on-quarter growth in Q4 2020 while at the same time projecting that the Spanish GDP will fall slightly in Q1 2021 (in line with the euro area as a whole). A significant rebound in the second half of the year is expected, driven by the vaccine rollout, lifting of restrictions and increase in consumption, as well as the distribution of NextGenerationEU recovery funds. Within Spain, the **residential development and construction sectors are expected to continue playing a key role in the country's ongoing economic reactivation**.

Land investment strategy

After reactivating our land investment activity in early June, **we continued to follow our strict, demand-driven investment strategy, investing primarily in ready-to-build land, which allows us to launch projects immediately and thus capture a better return on equity for the Company and our shareholders.** The size of our landbank, which gives us more than three years of visibility, enabled us to pursue a **selective investment** policy during 2020-21, despite the pandemic. We focused largely on our historic footprint, including significant investments in Madrid and Barcelona, and made our first investment in Las Palmas de Gran Canaria, a market we have been watching for some time. We raised our net development margin hurdle rate to 23% for investments made this year to be launched in 2021-22.

We also continued to build up a long-term land supply, co-investing in fully permitted land through our off-balance sheet agreement with Castlelake. AEDAS holds a minority stake in this strategic vehicle, which invests in land that will reach ready to build status over a longer period of time, allowing us to capture value earlier in the investment process giving us the optionality to access land when needed.

Build to Rent strategy

Appetite for Build to Rent developments has continued to grow since we signed our first agreement with an institutional investor to deliver turnkey developments for rental market in 2019. This past year, investors continued to expand their portfolios and build their positions in the segment, which represented a **major opportunity for AEDAS Homes to expand our market reach and further de-risk our Business Plan.** Over the course of 2020-21, we signed two additional agreements of this nature, the first with a joint venture between **Grupo Lar and Primonial to deliver five turnkey developments with a total of 655 units, for €122 million,** and the second with Sociedad Anónima Inmobiliaria Vascongada, owned by **Lazora, to deliver two turnkey projects, with a total of 288 units, for €43.2 million.**

If additional attractive Build to Rent opportunities present themselves, we will pursue them, as this allows to us to further de-risk our Business Plan and rotate assets faster.

Making a firm commitment to ESG targets

We take a long-term view of our business, and our strong and effective corporate governance structure provides the foundation for the company's performance and our positive impact on the communities where we build homes. Part of this long-term vision includes making a firm commitment to ESG targets.

In April 2021, the **AEDAS Homes Board of Directors approved the company's three-year ESG Strategic Plan,** which comprises a series of short and mid-term targets and concrete actions we will be implementing to further improve our already strong environmental and social credentials and benefit our stakeholders, as well as **long-term targets aligned with the 2030 Agenda for Sustainable Development.**

With the approval of this Plan, **our Board has formally recognised the risks related to climate change and taken ownership of the initiatives the company will be putting into place to manage them,** prioritizing our contributions to SDG 8 (decent work and economic growth), SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities.

Since buildings and construction activity account for over a third of CO2 emissions, this Plan places a **special emphasis on decarbonization and designing our developments to be highly energy efficient and to minimise the carbon footprint produced throughout the life cycle of the building.** It will also strengthen our commitment to providing an innovative customer experience, deepen our involvement within the local communities where we operate, and help us to maintain our talented team and provide them further opportunities for professional growth.

Building faster, building better

At AEDAS Homes, we are proud to be leaders in Spain in the implementation of Modern Methods of Construction and building homes offsite.

Offsite construction is a faster, greener, more efficient way of building, and at present, we are the **only Spanish homebuilder that has delivered a significant number of homes manufactured in an assembly plant.** We view offsite construction as a critical part of our commitment to building faster—providing more homes, more quickly–and building better– more safely, more efficiently and with lower environmental impact, and we will continue to scale up our use of **"smart construction",** that is, combining innovation and digitization to deliver sustainable homes to our customers.

Evolution of share price

At the end of March, the AEDAS Homes share was trading at a 33.5% discount over the latest reported NAV (also on 31 March 2021). The FY 2020-21 period began with the share trading at €17.5, hitting the minimum on 20 May 2020, at €13.12, and reaching its maximum value on 5 January 2021, at €23. It closed the period at €22.4 on 31 March 2021.

Over the twelve-month period, the share price experienced a 28% increase, effectively recovering from the negative impact caused by the pandemic, returning to pre-Covid trading levels. In relative terms, its behaviour is comparable to the IBEX 35, which experienced an overall increase of 30.4% between 1 April 2020 and 31 March 2021, and to the Madrid Stock Exchange index, which was up 31.2% over the same period.

The share saw its liquidity reduced during the 2020-21 fiscal year in comparison to the prior twelve-month period (April 2019 – March 2020), with a trading volume during fiscal year 2020-21 equivalent to 10% of the total number of shares of the Company. This reduction in liquidity could be explained by the lower free-float in the market due to the increase in the Company's treasury stock position as well as to an increase in the participation of Castlelake, our main shareholder.

Outstanding effort in an exceptional year

In closing, I would like to express my appreciation and gratitude to the entire AEDAS Homes team and all our external collaborators for their tremendous effort this year. Our team has faced this unprecedented situation with enthusiasm and determination, giving the best of themselves to fulfil the commitments we made to our customers and shareholders.

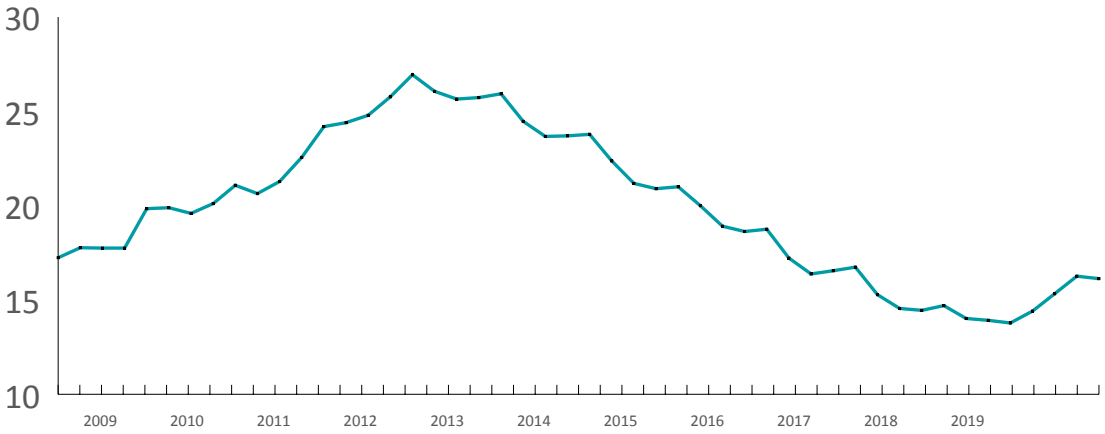
David Martínez Montero
AEDAS Homes' CEO

1.4 Market indicators

The last year has been marked by the health crisis induced by COVID. After a period of sustained GDP growth between 2014 and 2019, the Spanish economy contracted by approximately 11% year-on-year in 2020, according to Spain's national statistics office, the INE. The impact was largely concentrated in the second quarter due to strict lockdown measures, followed by some signs of recovery during the second half of the year. According to the IMF's most recent forecasts, Spanish GDP will expand by 6.4% in 2021, which would put it at the forefront of the advanced economies in terms of the post-pandemic recovery.

The health crisis also took a toll on jobs in Spain. Job destruction was concentrated between March and June 2020, during Spain's strict lockdown, when nearly 355,000 jobs were destroyed, according to the latest data reported by the INE, leaving unemployment at 16.1% by the end of 2020, which is nevertheless well below the peak of 26% reached during the last financial crisis. The impact on the job market has been mitigated by the rollout of certain governmental measures, particularly the furlough scheme.

Trend in unemployment



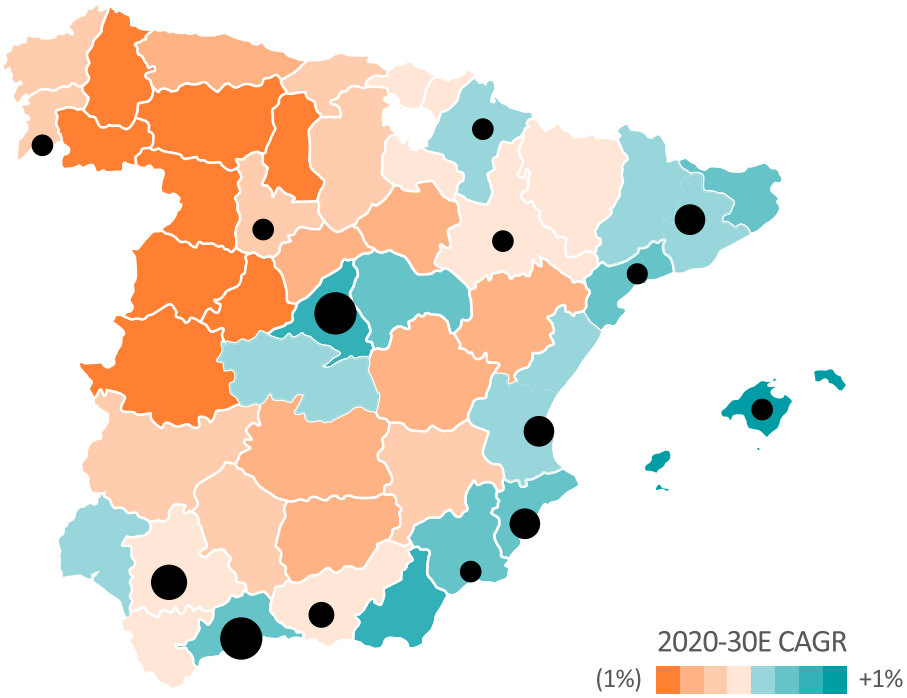
INE data

The pandemic stalled the growth observed in the Spanish population since 2016, which declined by 106,146 people in 2020. Despite the fact that the population shrank by 0.2% in 2020, according to recent data published by the INE, Spain had a total population of over 47 million as of January 2021, more than 5 million of whom were foreign residents.

Prior to the crisis, internal migratory movements in Spain were concentrated in the major cities, which, on account of their relative economic buoyancy, had been attracting people from less economically active areas, driving new housing development in those recipient regions. Those are the markets AEDAS Homes selects to carry out its developments.

AEDAS Homes' top 10 business markets currently account for over 50% of the Spanish population. According to the INE, those regions are expected to post annual population growth over the coming decade, unlike most Spanish regions.

The ADEAS Homes footprint



● Size indicates AEDAS Homes' relative presence

The pandemic and the resulting economic situation and shift to remote working have created new trends in the demand for homes, prompting renewed interest in the less economically active regions.

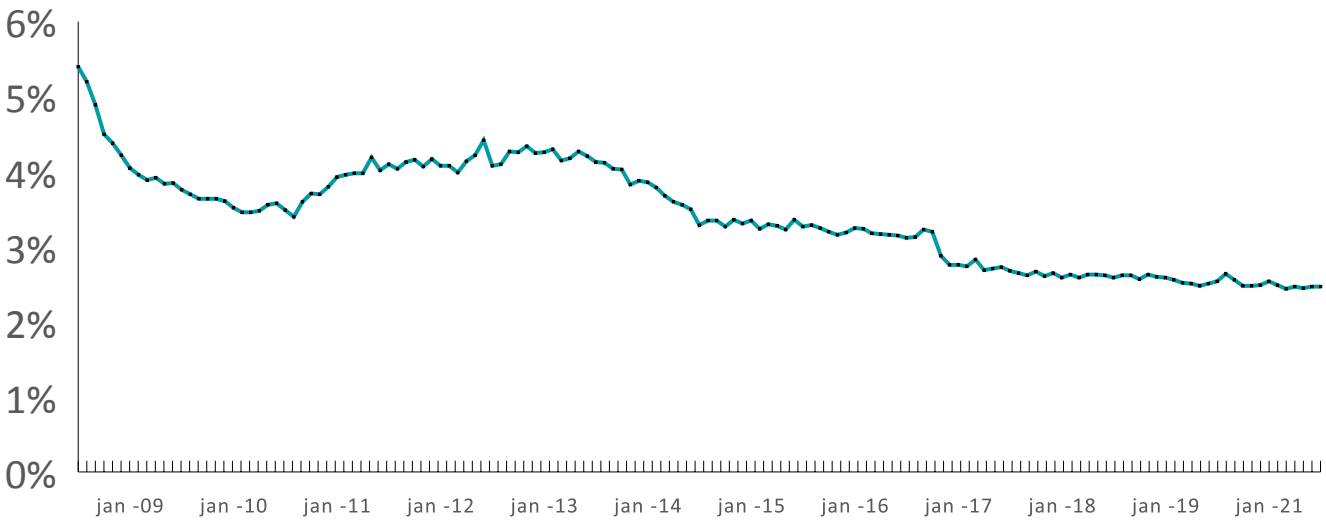
According to the INE, the savings rate in Spain increased from an average of 8.3% in 2019 to 14.5% in 2020. During the second quarter of 2020, the savings rate peaked at 31.2%[4] , hit hard by the economic paralysis sustained during the lockdown, with Spanish households earmarking most of their income to savings. Average rates of interest on mortgages arranged through to January 2021 stood at 2.47%, down 2.9%[5] year-on-year. The incidence of higher savings in the context of low interest rates is propitious for demand for housing, particularly in the medium and medium-upper segments at which AEDAS Homes targets its products.

[4] INE, household saving rate
[5] INE data



Bagaria (Cornellà de Llobregat)

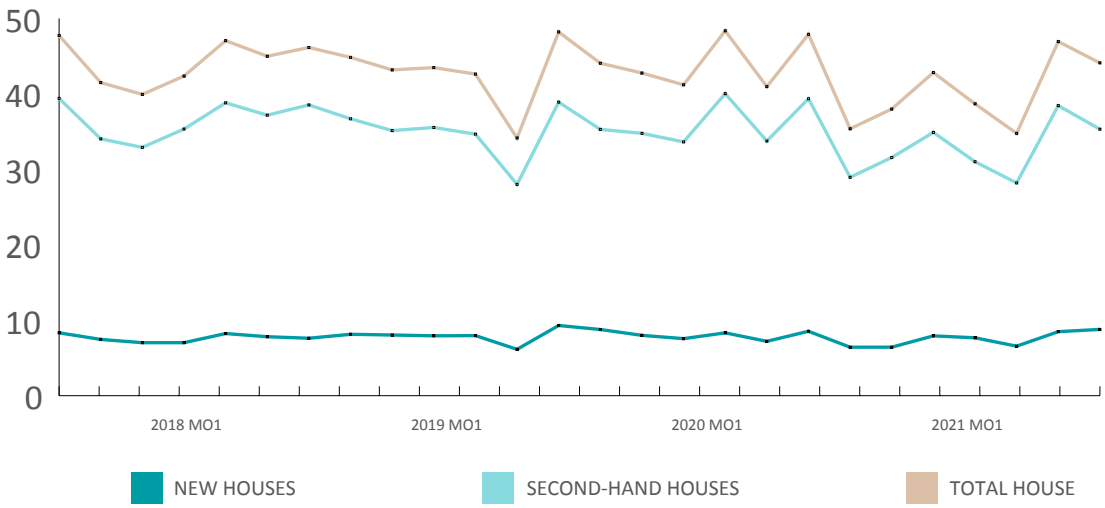
Mortgage rates (%)



On the demand side, the lockdown triggered by the pandemic has spurred new trends like home-working, shifting the home market towards more spacious and modern homes with different features. As a result, demand for new homes has gained weight in the overall transaction mix, increasing from 18% in January 2020 to 21% by January 2021 (INE data), a positive trend for the new homes being built by AEDAS Homes, which are already suited for those new demand traits post-COVID.

Housing sale transactions totalled 415,000 in 2020, down 17% from 2019, shaped largely by the second-quarter shutdown.

Total house purchases, new and second-hand

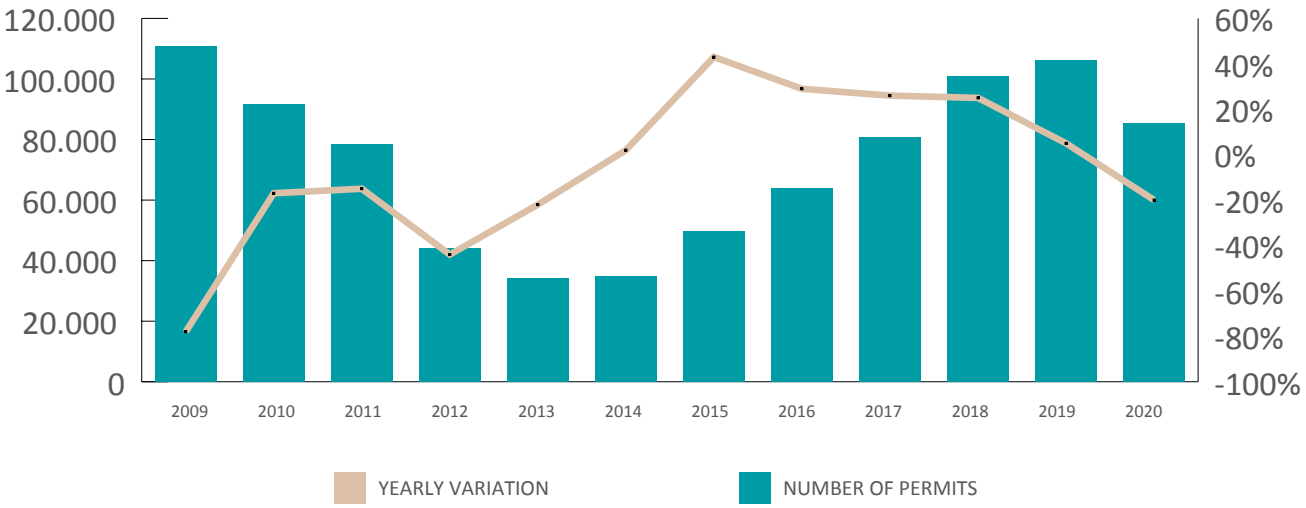


According to the INE, house prices were one of the indicators that best resisted the fallout from COVID in absolute terms, notwithstanding house price corrections in certain Spanish provinces. In year-on-year terms, during the fourth quarter of 2020, the growth in house prices eased by 0.2pp to 1.5%.

However, on that same basis, new home prices increased to 8.2% year-on-year, evidencing strong demand terms for new developments, coupled with product scarcity, which is driving prices higher in that segment. In contrast, growth in second-hand house prices continued to slow, to 0.4% year-on-year by the fourth quarter.

On the supply side, the uncertainty provoked by the pandemic and the liquidity crunch triggered by the tightening of developer financing terms drove a contraction in new housing permits after a period of sustained growth in recent years. Those supply-side developments will generate a scarcity in new housing launches which, coupled with rising demand, could buoy the residential development market and create attractive opportunities for AEDAS Homes going forward.

New home permits



The stock of unsold housing left over from the last cycle stood at c.457,000 homes at the end of 2019; that stock is estimated to have increased in 2020 due to the lack of sales, particularly during the months of lockdown. The slow pace of turnover in that stock indicates that most of that product is characterised by obsolete designs, located in markets in low demand, such that it can be considered residual.

In sum, the emerging trends in desired new housing shaped by the pandemic - more spacious houses with terraces, etc., - put AEDAS Homes in an ideal position for servicing demand for that class of product in Spain. That, coupled with the scarcity of new market launches on account of the drop in new building permits and tighter financing conditions, drove an increase in new house prices in 2020. Moreover, the interplay of those supply and demand factors creates an attractive situation for AEDAS Homes going forward. In short, COVID has reinforced the market for high-quality residential developments in which demand has increased precisely as supply has declined. That, coupled with the growth in savings and continued low interest rates, bodes well for AEDAS Homes' growth prospects in the years to come.

1.5 Strategy, principles and cultural hallmarks

AEDAS Homes is a high-end new home developer. It was set up in 2016 and its shares are listed on the Spanish stock exchange. Since its foundation, the Company has grown exponentially, whether measured in terms of the number of developments launched or the number of homes delivered to customers, emerging as a benchmark player in the Spanish residential development sector.

Despite the passage of time, AEDAS Homes continues to bring the same sense of enthusiasm and dedication to its mission of creating places to live in which its customers and their nearest and dearest can feel their happiest by developing homes that are high-quality, sustainable, aesthetically beautiful, health, safe, accessible and entertaining, with exclusive services and common areas.

AEDAS Homes is proving a major catalyst in Spain's home development market. Its present and future is predicated on earning the trust of its various stakeholders, including its customers, employees, investors, suppliers and the authorities.

It is building that trust by leveraging the following drivers:

1. **Empathy,** accompanying our customers on one of the most important decisions in their lives.

2. The **design** of sustainable, attractive, health, safe, entertaining and accessible homes.

3. Building to the **highest standards of quality.**

4. **Innovation** in construction, sales formulae and the home user experience.

5. Nurturing a **multidisciplinary team** made up of the finest professionals aligned around a **culture** of service and continuous improvement.

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

AEDAS Homes' strategy

AEDAS Homes has a solid long-term growth plan. In the years to come, the Company plans to continue to buy land to lock in future business, framed by the strict profitability, asset type and location criteria that have this far enabled it to build the best residential land bank in Spain.

The Company expects to reach its cruising speed in 2022, which is equivalent to the delivery of 3,000 homes a year, a milestone that will translate into annual revenue of over €1 billion, as well as stable and recurring cash flow that will pave the way for growing shareholder remuneration. From that year on, thanks to the experience accumulated and a solid track record underpinned by rigour, professionalism and transparency, AEDAS Homes aspires to be the paradigmatic brand associated with top-quality new housing developments in Spain.

To attain its goals, AEDAS Homes plans to continue to spearhead and forge the response to the sector's biggest challenges: it will embed sustainability and decarbonisation into homebuilding; it will consolidate its leadership of industrialised development; it will expand its build-to-rent business; it will open up new avenues for growth for the sector linked with innovation and social responsibility; and it will foster public-private collaboration to help young people access affordable housing.

AEDAS Homes is aware that the construction industry (most particularly the building segment) is suffering serious endemic problems shaped by a number of factors: ageing of the working population, lack of skilled workers, low margins and scant investment in R&D. Aware of that situation, 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 our customers. Moreover, the MMC thrust will allow us to shorten execution times with the attendant favourable impact on our returns, as well as the environmental footprint of our business activities.

Elsewhere, growth in the home rental segment represents a major opportunity for the Company to expand its market reach. Numerous institutional investors are building positions and expanding their portfolios in the segment, drawn by solid rental market fundamentals, which is creating a significant business opportunity for AEDAS Homes, in its capacity as a leading developer, to offer new, high-quality homes designed specifically with rental in mind (build-to-rent). This trend of block sales of turnkey-developed complexes to institutional investors will contribute to delivery of AEDAS Homes' business targets.

Our cornerstones

Relentless focus on what our customers need

In-depth market studies for optimal product definition

AEDAS Homes believes in the value of data as a means to 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, 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 on the basis of local needs and criteria, albeit framed at all times by a shared overall strategy, guaranteeing optimal results.

Centralised oversight

AEDAS Homes is firmly committed to local talent in its various regional markets, albeit framed by centralised supervision, from the head offices in Madrid.

The Company monitors the progress of its developments from its head offices, which is where the key departments that support the regional management teams are based.



Kane (Málaga)

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. That 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.

Contractors, architects and sales agents are outsourced

AEDAS Homes is looking to build 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, putting just one-third out to tender. In parallel, it plans to cut tendering turnaround times by using negotiated procedures 50% of the time.

"One of AEDAS Homes' strategic goals is to be the paradigm for profitability in the housing development sector"

Focus on preserving margins and ROE: selective investment and efficient development

One of AEDAS Homes' strategic goals is to be the paradigm for profitability in the housing development sector, delivering higher margins and returns on equity than its peers.

Select investment.

Since it began to invest in its land bank, the Company has followed strict investment criteria for new acquisitions centred on the selection of the best sites in terms of liquidity, current and prospective demand and expected returns.

That investment effort has meant that all subsequent developments have delivered higher than expected returns.

AEDAS Homes analyses over 1,000 investment opportunities each year, each of which very different in terms of size and property profile. When it buys land, the Company usually establishes a profitability threshold: the resulting development should be expected to yield a net development margin of at least 20%. Nevertheless, in recent quarters, the Company has been concluding ah-hoc land transactions offer a return in excess of that minimum return hurdle of around 300 basis points. AEDAS Homes takes a dynamic approach to investing, adjusting its activities to align them with market conditions. As for pipeline coverage, in recent years, the Company has kept the ratio between its land bank and its annual delivery target of 3,000 homes stable at around 5 times; in the medium and longer term, however, AEDAS Homes is aiming for a somewhat lower coverage ratio, of closer to 4 times.

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.

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

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

Our business principles



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 2017.

For more information about health and safety at AEDAS Homes, refer to page 110.



Partner of trust

AEDAS Homes wants to be a partner of trust for all of its stakeholders: customers, shareholders, employees.

For more information about governance at AEDAS Homes, refer to page 138.



Sustainability

AEDAS Homes wants to “be a green developer and turn its developments into environmental paradigms”, this being a priority thrust of its development effort.

For more information about AEDAS Homes’ environmental performance and commitments, refer to page 128.



Community engagement

AEDAS Homes is aware of the impact its business activities have on its communities in which it develops homes, in terms of diversity, for example.

For more information about AEDAS Homes’ social dimension, refer to page 134.



Safeguarding the Company’s financial health

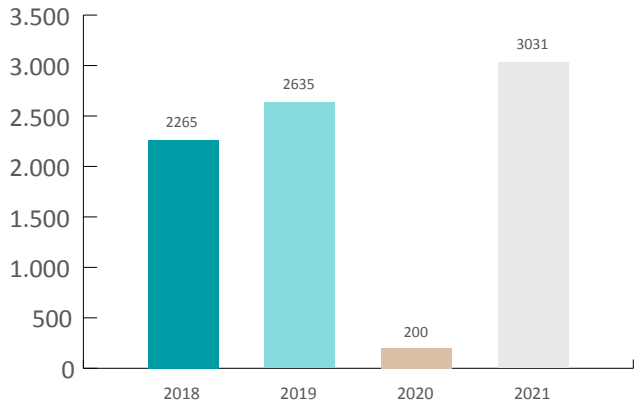
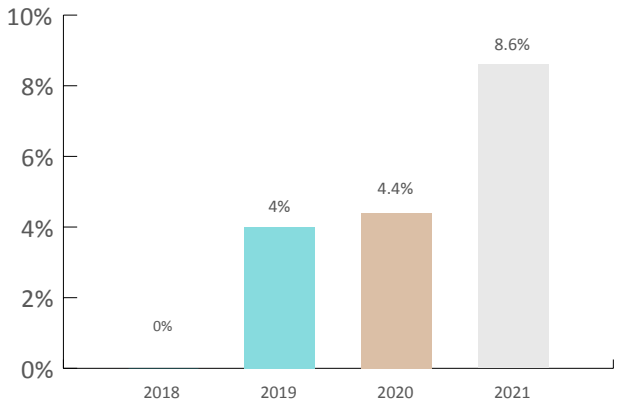
For financial information, refer to page 152.



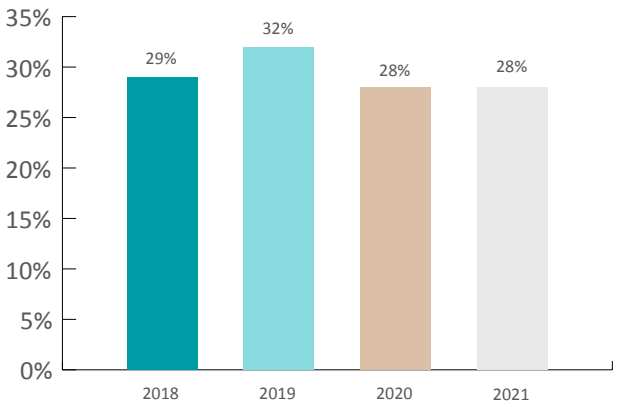
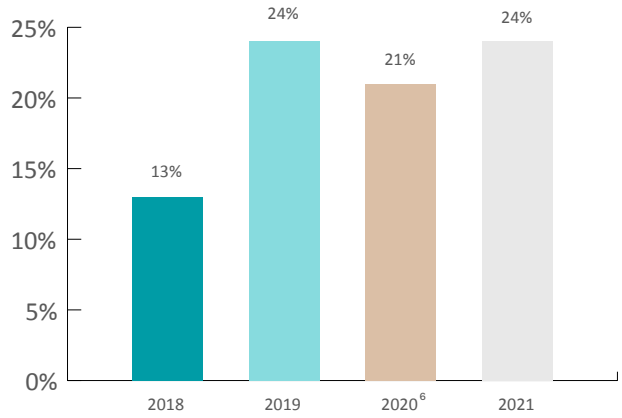
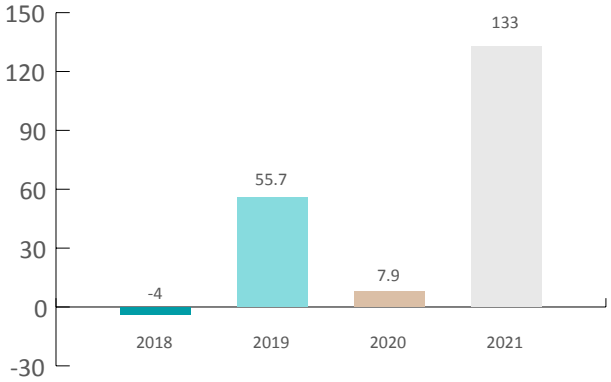
Orpi (El Masnou)

1.6 Key indicators (KPIs)

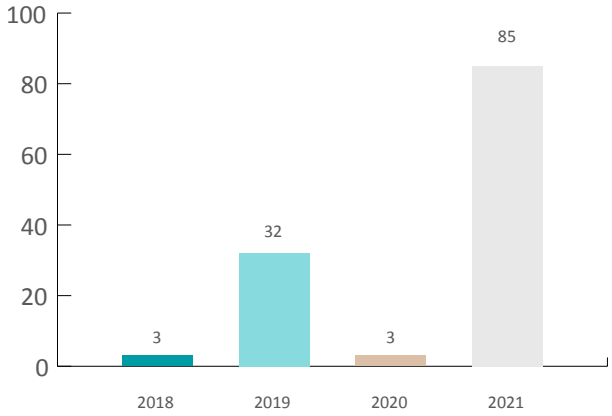
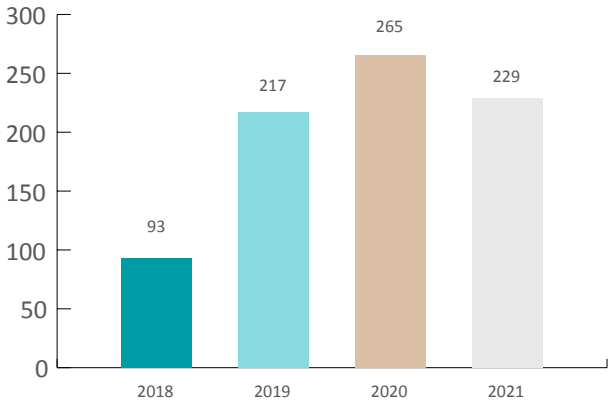
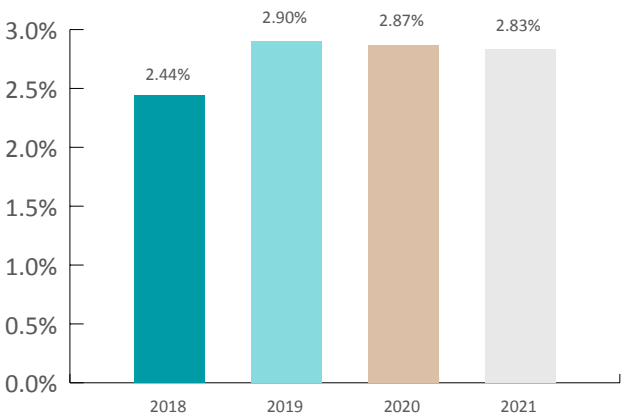
Alternative Performance Measures

Metric		Trend	
Growth	Home launches		
ROE	ROE (%)		
Dividend policy	Payout	The Company has not paid any dividends to date. The first dividend will be paid out from FY 2020-21 profits and the payout is equivalent to 77%.	

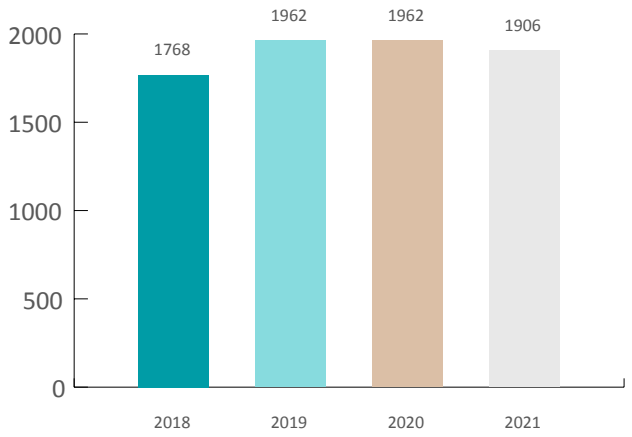
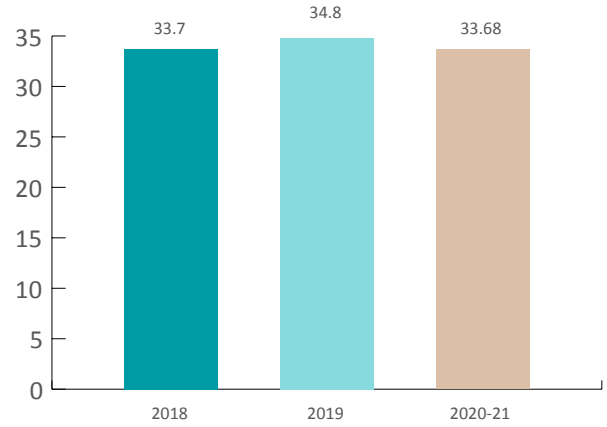
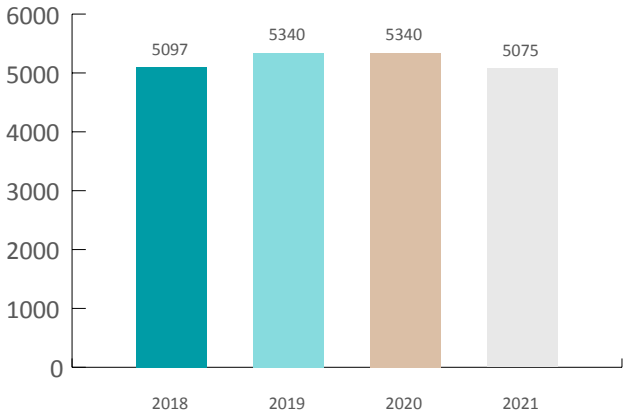
	Definition	Rationale for usage
	Housing units are considered launched once marketing is underway, i.e., they are classified as 'launched' subsequent to the design phase, once they are put up for sale.	This KPI is used by the Company's directors to monitor its activity and growth. It is a leading indicator insofar as it foreshadows the Group's ability to generate revenue.
	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.
	Percentage of profits earmarked to dividend payments.	Provides a measure of shareholder remuneration via dividends.

	Medidas	Evolución
APM	Gross Development Margin (%)	
	Net Development Margin (%)	
	EBITDA (€ m)	

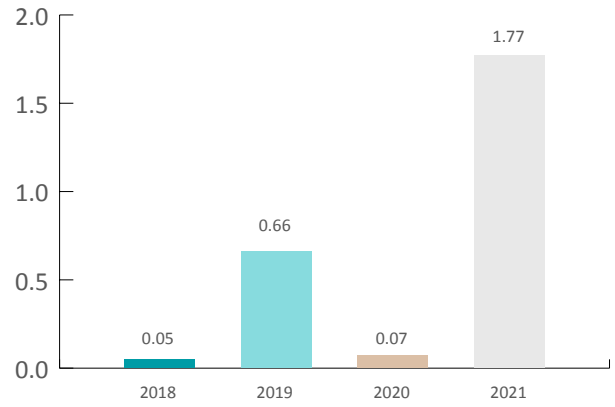
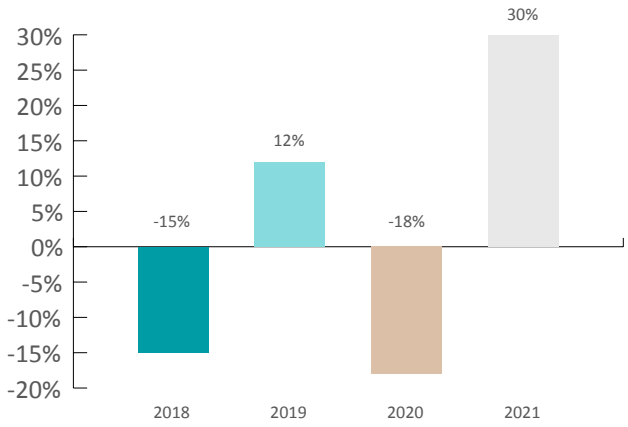
	Definición	Explicación del uso
	Revenue from sales – Change in inventories – Cost of sales (without factoring in provisions for the impairment of inventories).	The Company's directors use the Gross Development Margin to measure its performance as this yardstick provides information about how its development projects are performing by starting from third-party sales and subtracting the costs incurred to make such sales. Calculation of this APM factors in the impairment charges applied to real estate assets sold during the reporting period. Note that the Gross Development Margin does not include any gains realised on the sale of land. 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.
	Gross Development Margin – Sales & marketing expenses (included within Other operating expenses in the statement of profit or loss). [6]Margin contraction in 2020 versus 2019 when the delivery mix was skewed towards houses with a very high ASP. Nevertheless, in FY 2020-21 the Company delivered all of the profitability-related guidance set down in its Business Plan.	The Net Development Margin is used by the Company's directors as a yardstick for its performance as it provides information about the net margin generated on the developments that generated sales revenue during the reporting period. The Net Development Margin is calculated based on the Gross Development Margin, net of certain expenses associated with the marketing effort. Note that the Net Development Margin does not include any gains realised on the sale of land.
	Net 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.

	Metric	Trend	
APM	Net profit (€m)		
	Net Debt		
	Average Borrowing Cost		

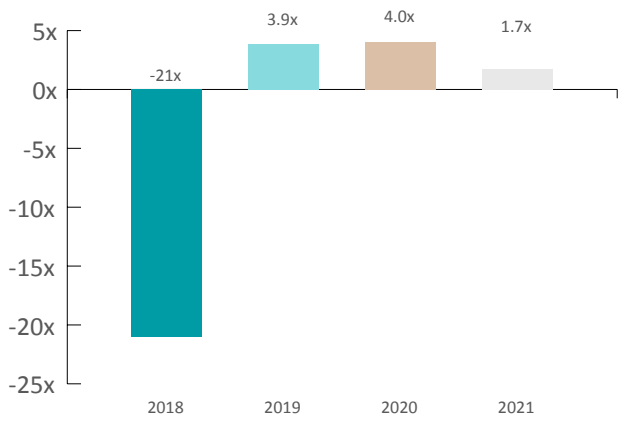
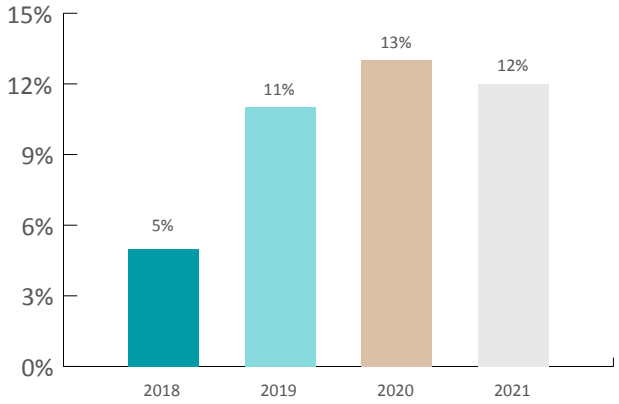
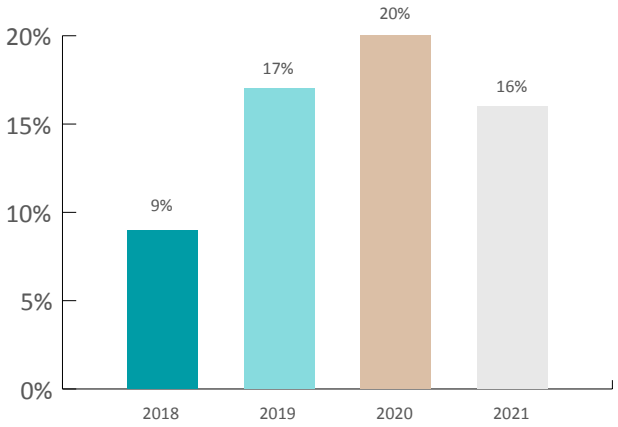
	Definition	Rationale for usage
	Group net profit after tax and including non-controlling interests	Used in the Company's financial statements; it is calculated based on net profit, factoring in the net finance cost and tax expense.
	Gross debt – unrestricted cash	Net Debt measures an enterprise's net 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.
	Weighted average cost of the Company's borrowings on a given date, factoring in corporate debt and developer loans.	

	Metric	Trend	
APM	GAV (€m)		
	NAV (€/acción)		
	GDV (€m)		

	Definition	Rationale for usage
	Definition: 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. GAV is calculated on the basis of a series of assumptions made at the appraiser's judgement.	One of the Company's asset valuation methods.
	Definition: The market value of the Company's equity or net worth, i.e., the total value of its assets minus the total value of its liabilities.	
	Definition: A measure of what the Company's assets are expected to be worth on the open market once all development work has been completed.	

	Metric	Trend	
Return	Earnings per share		
	Total shareholder return		

	Definition	Rationale for usage
	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.
	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.

	Metric	Trend
Leverage	DFN/EBITDA	
	LTV (%)	
	LTC (%)	

	Definition	Rationale for usage
	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 Debt/(Cash) / (Market value of appraised assets (GAV) + Sale options over inventories) Calculated at the end of the financial year.	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 Debt/(Cash) / (Inventories - Prepayments to suppliers) Calculated at the end of the financial year.	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.

02 Governance

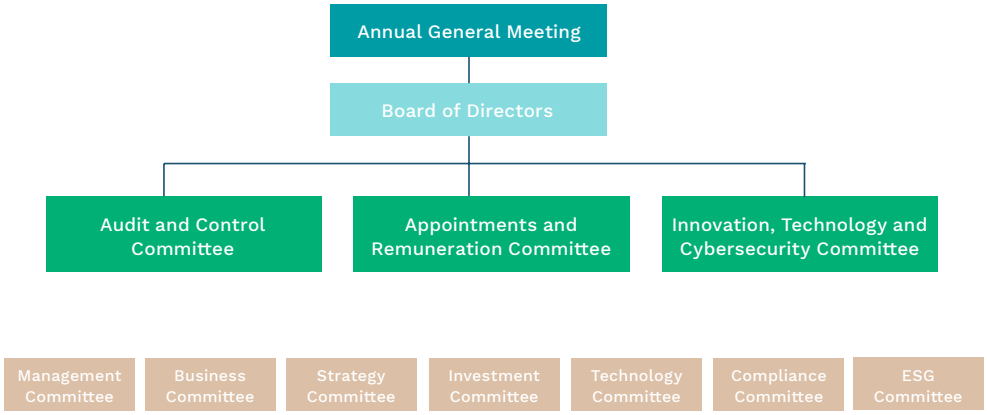


Cody (L'Hospitalet de Llobregat)

2.1 Organisational Structure

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

AEDAS Homes had a total of 236 employees at year-end 2020. Those professionals work all throughout Spain.



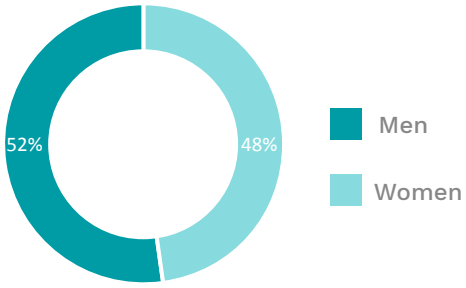
"AEDAS Homes' social main purpose is the acquisition, development, management, marketing and development of any real estate"

The Company's head offices are located in Madrid and serve its six regional units which are located in the main new homebuilding markets in Spain:

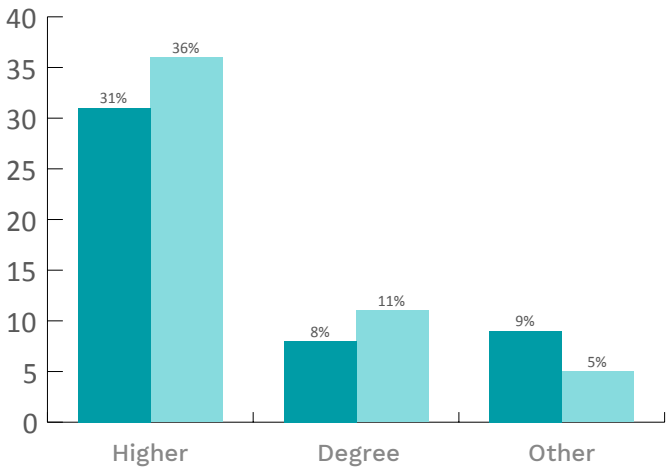
- **Central Spain:** Madrid.
- **Northern Spain:** Valladolid, Pontevedra and Navarre.
- **Andalusia and Canary Islands:** Seville, Granada, Canary Island.
- **Costa del Sol:** Malaga.
- **East and Balearics:** Valencia, Alicante, Murcia and Mallorca.
- **Catalonia and Aragon:** Barcelona, Tarragona and Zaragoza.

The Distribution of Employees by gender and by qualification as of March 31, 2021 is detailed below.

Headcount Breakdown by gender



Headcount Breakdown by level of studies



Main governance bodies

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

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

The Board of Directors is made up of nine members. Six are independent directors, two are proprietary 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.

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

- The **Audit and Control Committee**, made up of three directors, two of whom independent (one of whom chairs this committee) and the third, proprietary. Article 14 of the Board Regulations regulates the Audit and Control Committee, its composition, its powers and its modus operandi.

- The **Appointments and Remuneration Committee**, made up of three directors, two of whom are independent (one of whom chairs this committee) and the third, proprietary. Article 15 of the Board Regulations regulates the Appointments and Remuneration Committee, its composition, 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. Another two company executives also sit on this committee. There are specific regulations addressing the composition, powers and rules of operation of this committee.

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

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

AEDAS Homes has created an ESG Committee to ensure the correct implementation and supervision of the ESG Strategic Plan (2021-2023), made up of the CEO of the Company, the Chief Financial Officer, the Director of Brand and Innovation and the Director of Corporate Resources, who simultaneously assumes the role of ESG Coordinator.

He will be in charge of reviewing the scorecard of the ESG Strategic Plan. This Committee is also in charge of the consolidation and analysis of the semi-annual report of milestones and indicators associated with the ESG Strategic Plan and of course the Boost and support of the actions, through the figure of ESG Coordinator.

"AEDAS Homes has created an ESG Committee to ensure the correct implementation and supervision of the ESG Strategic Plan (2021-2023)"



Eliza (Alicante)

2.2 Board of Directors

The Board of Directors is made up of nine members. Six are independent directors, two are proprietary and the ninth is an executive director. Below is a description of the members of the Board of Directors and the relevant experience they bring:

Santiago Fernández Valbuena

Appointment to the Board

Independent Director of AEDAS Homes since September 2017 and Chairman of the Board of Directors. Re-elected by the General Shareholders' Meeting of June 23, 2020.

Committee membership

Independent Director of AEDAS Homes since September 2017 and Chairman of the Board of Directors

Career and experience

Santiago Fernández Valbuena (22nd April 1958) Santiago has a B.A. in Economics from the Universidad Complutense, is Doctor of Economics (PhD) and a Master from the Northeastern University of Boston (MS).

Santiago has been president at Telefónica Latin-America (2011 - 2014), General Director of Finance and Strategy (2010 - 2011) and General Director of Finance and Corporate Development (2002 - 2010) at Grupo Telefónica. Previously, he was President at Fonditel, General Director at Société Générale Valores and Stock Director at Beta Capital.

He is also an Associate Professor at the Universidad Complutense (currently on leave) and at the Universidad de Murcia, having also taught at IE Business School.

Santiago is Vicepresident at EBN Bank, as Proprietary Director at this company since November 2015. Since 2008 he is also Independent Director and member of the Auditing Committee at Ferrovial, S.A. Previously he was Vicepresident at Metrovacesa (1999 - 2007).

He owns 3.000 shares of the company, acquired on the 3rd of October 2018 at 25,86€ per share.

He has no purchase options over shares in the Company, nor does he have any prior relation with any of the other members of the Board of Directors nor of the Company.

David Martínez Montero

Appointment to the Board

Chief Executive Officer at AEDAS Homes since 2016 (Executive Director). Re-elected by the General Shareholders' Meeting of June 23, 2020.

Committee membership

CEO and member of the Technology, Innovation and Cybersecurity Committee.

Career and experience

David Martínez Montero (7th November 1970). David holds a civil engineering degree from the Universidad Politécnica de Madrid (UPM) and an Executive MBA from IESE.

During his professional career he has been Managing Director at Distrito Castellana Norte (BBVA & Grupo San José) – between 2013 and 2016, Chief Executive Officer at Valdebebas – between 2005 and 2013, Managing Director at 4 Torres Business Area – between 2002 and 2005 and Project Manager at Bovis – between 1998 and 2005, and Project Manager at Ferrovial between 1996 and 1998. Additionally, he is a member of the Urban Land Institute committee, Madrid.

He has 73.328 shares of AEDAS Homes since the 23rd November 2017 and acquired a further 3.000 shares on the 4th October 2018 at 26,66€ per share. He has no purchase options over these, nor does he have any prior relation with any of the other members of the Board of Directors nor of the Company.



Evan Andrew Carruthers

Appointment to the Board

Joined AEDAS Homes as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, in September 2017. Re-elected by the General Shareholders' Meeting of June 23, 2020.

Committee membership

Member of the Board of Directors and member of the Appointments and Remuneration Committee.

Career and experience

Evan Andrew Carruthers (12th March 1979). Evan holds a B.A in business administration, with a specialty in finance from the St. Thomas University, Minneapolis, Minnesota (USA).

Evan co-founded Castlelake in 2005, in partnership with CEO and managing partner, Rory Joseph O'Neill (CEO and Managing Partner at Castlelake), and as Managing Partner, he is responsible for the firm's global investment activities across all asset classes, guiding the firm's relationship-driven approach, and leading all investment teams at Castlelake. He is also a voting member of Castlelake's Investment Review Committee.

Prior to co-founding Castlelake, he was an investment manager with Cargill Value Investment (CVI, now CarVal Investors), where he was responsible for corporate and asset-based investments in North America and was instrumental in the development of Cargill's global aircraft investing business. Prior to joining CVI, Evan was with Piper Jaffray, a Minneapolis-based investment banking firm, in several capacities.

He has deep sector expertise, spanning back to the year 2000. He has invested capital in more than 40 countries across multiple industries and has been instrumental in the development of the firm's asset- and credit-based investment activities.

Additionally, Evan is an Independent Director at Five Point Holdings, LLC, a listed North-American company, since May 2017, company of which Emile Haddad is President and CEO. Since October 2014 he is also Proprietary Director at the following companies: Castlelake Lease Aircraft Trust 2014-1 (CLAS 2014-1); Castlelake Lease Aircraft Trust 2015-1 (CLAS 2015-1); Castlelake Lease Aircraft Trust 2016-1 (CLAS 2016-1); Castlelake Lease Aircraft Trust 2017-1 (CLAS 2017-1); y de Castlelake Lease Aircraft Trust 2018-1 (CLAS 2018-1).

He has a total of 27,000 shares of AEDAS Homes which were acquired on the 15th and 16th October 2018, a quantity of 10,400 and 16,600 shares at an average price of 23.99€ per share for the first bucket and 24.36€ per share for the second. He has no options on AEDAS Homes.

He is related to Eduardo D'Alessandro, Proprietary Director of AEDAS Homes and Managing Partner at Castlelake.

Eduardo Edmundo D'Alessandro Cishek

Appointment to the Board

joined AEDAS Homes as a Propietary Director representing Hipoteca 43 Lux S.a.r.l in September 2017. Re-elected by the General Shareholders' Meeting of June 23, 2020

Committee membership

Member of the Board of Directors, member of the Audit and Control Committee and also member of the Technology, Innovation and Cybersecurity Committee.

Career and experience

Eduardo Edmundo D'Alessandro (17th December 1980). Eduardo received his B.Sc. in finance from Manhattanville College (cum laude) and received his M.B.A. from the London School of Economics.

He joined Castlelake in 2011 and became a partner in 2017. Eduardo leads the firm's investment approach to Spanish land banking and is also responsible for its strategy in Portugal, Italy and Greece, the United Kingdom and Ireland. His expertise also includes direct asset and non-performing loan opportunities Germany and Eastern Europe. He is responsible for non-performing loan and real estate investment opportunities in southern Europe, the United Kingdom and Ireland. He is also a rotating, voting member of the firm's Investment Review Committee.

Prior to joining Castlelake, he was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe. Prior to Deutsche Bank, he was an investment associate at CarVal Investors (CVI) within the Loan Portfolio Group. At CVI, he worked on non-performing loan and real estate investments in the United Kingdom, Germany and Spain.

Eduardo has no shares nor options on AEDAS Homes and works with Evan Carruthers at Castlelake.

Milagros Méndez Ureña

Appointment to the Board

Joined AEDAS Homes as an independent director on 4 April 2019, being ratified by the General Shareholders' Meeting on May 9, 2019.

Committee membership

Member of the Board of Directors

Career and experience

Milagros Méndez Ureña (14 September 1960), a Spanish national. Licensed in Law and Graduated in Business Studies at the Comillas Pontifical University (ICADE) in 1982. In addition, she studied a master's degree in Derivatives at SDSU (San Diego State University).

She started her professional career as a broker of pesetas at Intermoney. Milagros combined her job with writing a book which goes by the title "A year in the currency market".

In 1986, she joined Continental Bank in the Capital Markets department, and specialised in the distribution of Fixed Income.

In 1988 she became the Founding Member and Head of Fixed Income at FG Inversiones Bursátiles, Sociedad de Valores y Bolsa.

In 1996, she joined Banco Urquijo as Head of Treasury.

In 1998, for a brief year, she was a Director at the Spanish Fixed Income Market at the Association of Intermediaries of Financial Assets.

In the year 2000 she joined Afina, creating a Securities Company as a Founder and Managing Director.

In 2005 she was named Director of Institutional Fixed Income Distribution, Equity and Derivatives at Interdin Sociedad de Valores y Bolsa.

In 2014, she joined Banco Sabadell, Ibersecurities SVB as Head of Business Development, New Markets and Agents.

In 2015, Milagros decided to start up Aldebaran Advisory as Founder and Managing Director, working on a project to project basis with Sabadell.

In 2017 she was named Senior Advisor to Alma Capital Asset Management.

In 2018 she was named Senior Advisor to Innova Health Private Equity as a representative to Spain, Portugal and the United Kingdom.

Recently, she has been hired by Mercer Asset Management, to sell investment funds.

Milagros has a consolidated and successful experience in the financial markets, with a distinguished commercial profile and being very accustomed to work with and coordinate a team.

Javier Lapastora Turpin

Appointment to the Board

Joined AEDAS Homes as an Independent Director in September 2017 acting as the Chairman of the Audit Committee. Re-elected by the General Shareholders' Meeting of June 23, 2020.

Committee membership

Member of the Board of Directors and Chairman of the Audit and Control Committee.

Career and experience

Javier Lapastora Turpín (5th September 1966). Javier has a bachelor's degree in Business Administration from CUNEF (Complutense University), as well as PDD (Programa de Desarrollo Directivo) from the IE Business School. He is a registered auditor in Spain (ROAC) and a member of the Accounting Experts register of the ICJCE.

He was a partner in PwC from 2002 to 2015 where he was real estate and construction department head from 2007 to 2011 and managing partner of the audit and assurance practice from 2011 to 2015.

He is presently an entrepreneur with interests in different companies with activities as investments, project management, real estate or franchises and currently a member of the Economic Counsel at the Archdiocese of Madrid.

He also serves as an Independent director in Servicios Financieros Carrefour EFC, SA since June 2016 and in Mostostal Warzawa, SA (Poland) since October 2017. At the same time, he is a Propietary Director in Glendalough Investments, SL since March 2015, in Clonmacnoise Developments, SL since April 2015, in Bazkariak Kalitate, SL since May 2015, in Kilmore Managements Services, SL since May 2015, in Tullamore Properties, SL since May 2015, Connemara Properties, SL since February 2018 and in Westhill Investmemts, SL since February 2017.

He owns 1.579 shares in AEDAS Homes, acquired the 19th of October of 2017 at a 31,65€ per share.

He has no purchase options over shares in the Company, nor does he have any prior relation with any of the other members of the Board of Directors nor of the Company.

Miguel Temboury Redondo

Appointment to the Board

Joined AEDAS Homes as an Independent Director in September 2017. Re-elected by the General Shareholders' Meeting of June 23, 2020.

Committee membership

Member of the Board of Directors and President of the Appointments and Remuneration Committee.

Career and experience

Miguel Temboury Redondo (1st April 1969). Miguel holds a bachelor's degree in Law and Business Administration and Management from ICADE (E-3).

He was Deputy Secretary of Economy and Competitiveness for the Spanish government from 2011 to 2016 and a member of both the Governing Committee of FROB and the Board of Directors of SEPI from 2012 to 2016. In 2004, he began practicing as an attorney in the private sector, first at Pérez-Llorca, and then founded his own firm, Temboury Abogados, in 2007. He was President of the Court of Arbitration of the Official Chamber of Commerce and Industry of Madrid from 2007 to 2012 and Chief of Staff to the Minister of the Interior from 2002 to 2004.

Miguel served as State's Attorney from 1996 to 2002. He currently works as an attorney in private practice and has been a Senior Advisor to Barclays Bank España since September 2017. He has served as an Independent Director of Singular Bank, as well as President of its Appointments and Remuneration Committee, and as Secretary non-director of the Appointments and Remuneration Committee of Abengoa. since February 2019.

Miguel holds no shares or share options in AEDAS Homes, and he has no relationship with the other Directors or managers of the Company.

Cristina Álvarez Álvarez

Appointment to the Board

Joined AEDAS Homes as an Independent Director in October 2017. Re-elected by the General Shareholders' Meeting of June 23, 2020.

Committee membership

Member of the Board of Directors and she is President of the Technology, Innovation and Cyber-security Committee and a member of the Appointments and Remuneration Committee.

Career and experience

Cristina Álvarez Álvarez (April 18th, 1969). Cristina is a graduate in Telecommunications Engineering from the Universidad Politécnica de Madrid (UPM) 1987-1992 and a PDD from IESE (2001) and also works as an academic director of the Executive Master's of the Instituto de Empresa: "Digital Transformation and Innovation Leadership". Cristina was awarded the prize "Engineering of the year 2016" by the COIT/AEIT, "AUTELSI Award" in recognition for her professional career in TIC 2017, and "Digital Leader 2016" awarded by Cionet. She's a Global Advisor in CAST software and provides counselling to entrepreneurs.

She's a Senior Executive with 25 years of professional experience in the telecommunications and technology sectors in companies like Alcatel (Nokia) (1992 – 1995), Vodafone (1996 – 2006) where she worked as a Director of Product Engineering Investments, Telefónica (2006 – October 2017) where she worked as Director of Investment and General Director of Service Development, being part of the Executive Committee of Telefónica España since 2009. Since February 2019, Cristina Álvarez, is Global Chief Technology Officer (CTO) of Banco Santander and since january 2020 member of the Board of Openbank.

Cristina has no shares or share options of AEDAS Homes, and she has no relationship with the other Directors or managers of the Company.



Doria (Palma de Mallorca)

Javier Martínez-Piqueras Barceló

Appointment to the Board

Joined AEDAS Homes as an independent director on 21 October 2020.

Committee membership

Member of the Board of Directors

Career and experience

Javier Martínez-Piqueras (15 March 1973). Javier holds a dual bachelor's degree in Business Administration/Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Over the course of his 22-year career in Investment Banking, Javier has specialized in Equity Capital Markets (ECM). In 1997 he joined Bank of America Merrill Lynch, becoming Managing Director Head of ECM and Corporate Equity Derivatives for Iberia (Spain and Portugal). In 2012, he moved to UBS, where he held several senior positions, such as Head of ECM and Corporate Solutions for EMEA, and most recently, Global Head of ECM, Corporate Solutions and Equity Linked, leading a team of 120 professionals across the globe until December 2019.

He brings deep experience advising large company boards at a global level on capital and equity related solutions. Javier has a strong market understanding of the Real Estate sector and has been closely following AEDAS since its founding.

Since 1993, he has been on the Board of OMEGA 93 S.L., a family-owned real estate company, and in July 2020, he joined the Board of Directors of Millenium Hotels Real Estate as an Independent Board Member, and member of the Audit and Control Commission.

Javier has no shares in the Company, and no purchase options over these, nor does he have any prior relationship with any of the other members of the Board of Directors or the Company.



Azara (Alicante)

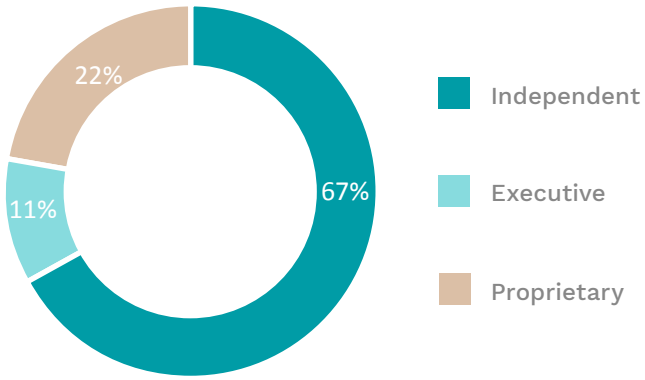
The following chart depicts the composition of AEDAS Homes[1] Board of Directors at 31 Marcg 2021:

Directors		**Santiago Fernández Valbuena**	**David Martinez Montero**	**Javier Lapastora Turpin**	Miguel Temboury Redondo
Position		Chairman	CEO	Member	Member
Board of Directors	Executive		√		
	Proprietary				
	Independent	√		√	√
Committees	Audit and Control	√		√ C	
	Appointments and Remuneration				√ C
	Innovation, Technology and Cybersecurity		√		
Shareholding	Direct, %	0,006%	0,16%	0,003%	0%
Other information	"Date of appointment"	27/9/17	25/5/17	27/9/17	27/09/2017
	Nationality	Spanish	Spanish	Spanish	Spanish
	Directorships at other listed companies	Vice-Chairman of EBN Banco de Negocios; Director of Ferrovial; Director of Mapfre Brasil		Independent Director of Servicios Financieros Carrefour, EFC, S.A. (Spain) Member of the Supervisory Board & Chairman of the Audit Committee of Mostostal Warszawa S.A. (Poland) Founding Partner of Kilmore Management Services (Spain) Partner at Glendalough Investments	Independent Director of Singular Bank
	Age	63	50	54	52

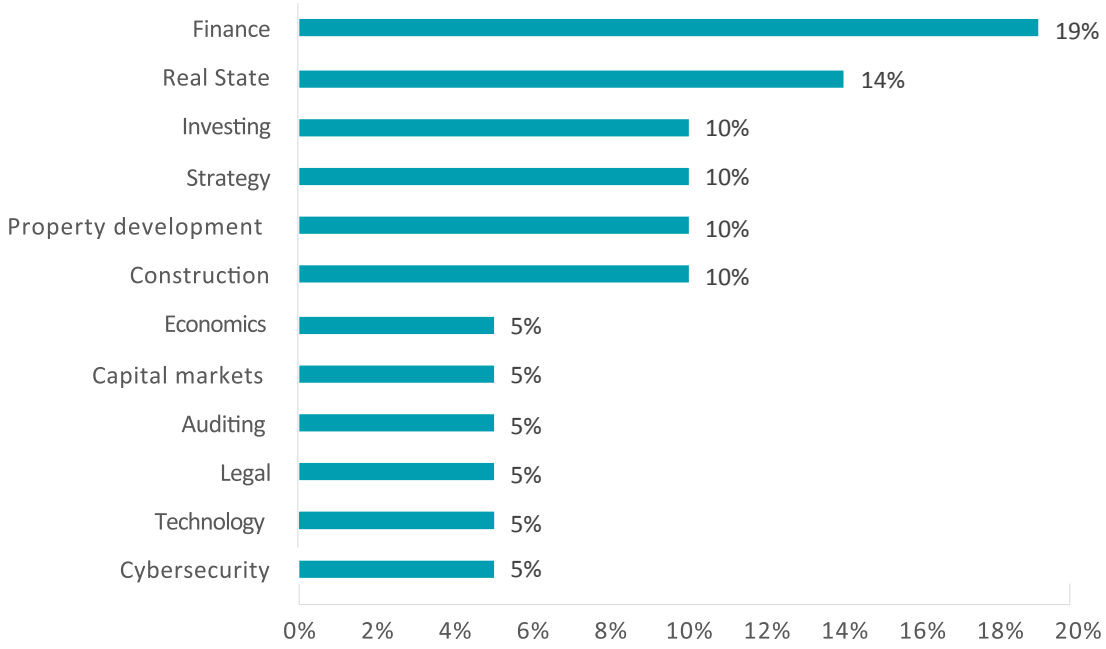
Cristina Alvarez Alvarez	Milagros Mendez Ureña	Eduardo D'Alessandro Cishek	Evan Andrew Carruthers	Javier Martínez-Piqueras Barceló	Total
Member	Member	Member	Member	Member	
					1
		√	√		2
√	√			√	6
		√			3
√			√		3
√ C		√			3
0%	0,001%	0%	0,06%	0%	0,23%
07/10/2017	4/4/19	27/9/17	27/09/2017	21/10/20	
Spanish	Dominican	North American	North American	Spanish	
Board Member of Openbank	Managing Partner & Financial Advisor at Aldebaran Advisory SL	Partner at Castlelake LP	CIO & Managing Partner of Castlelake; Director at Five Points Holding LLC; Director of each of the aviation investees of Castlelake	Member of the board of OMEGA 93 S.L.; Independent director of Millennium Hotels Real Estate S.L. and member of its Audit and Control Committee	
52	60	39	42	48	

C = Chair of any of the committees.

Below is the boardroom composition by director type.



The next chart depicts the areas of expertise of the Company's directors:



Board of Directors

In FY 2020-21, the **Board of Directors** met on **10 occasions**: specifically on 20 May, 22 June, 25 June (meeting held in writing with no in-person session), 28 July, 24 August (meeting held in writing with no in-person session), 21 October, 9 November (meeting held in writing) and 24 November 2020 and on 3 February and 23 March 2021. 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
- Removal and appointment of the Secretary of the Board of Directors
- Amendment of the commercial paper programme
- Financing (renewal of the syndicated loan agreement)
- Setting on record of the Board's authorisation for the derivative acquisition of own shares
- Establishment of CEO targets and director remuneration
- Acceptance of renewal of director positions
- Approval of special investment and divestment transactions
- Establishment of Board meeting schedule for FY 2021-22
- Suspension of the interim dividend in November 2020 and delay of its approval until the 2021 AGM
- Information on potential corporate refinancing scenarios
- Approval of a dividend distribution regime framed by the Shareholder Remuneration Policy
- Self-assessment of the performance of the Board and its committees and the related improvement plans

Its committees met as follows:

- The **Audit and Control Committee** met **9 times**, on the following dates: 13 May, 20 May, 22 June, 28 July, 21 October, 17 November and 24 November 2020, and 3 February and 23 March 2021.

- The **Appointments and Remuneration Committee** met **8 times**, on the following dates: 20 May, 1 June (meeting held in writing with no in-person session), 22 June, 28 July, 21 October and 24 November 2020 and on 3 February and 23 March 2021.

- The **Innovation, Technology and Cybersecurity Committee** met **3 times**, as follows: 14 May and 7 October 2020 and 27 January 2021.

2020 Annual General Meeting

The Company held its Annual General Meeting for 2020 on 23 June 2020 (first and only shareholder meeting held in FY 2020-21) at which it submitted the following resolutions, all of which were ratified:

1. Approval of the individual and consolidated annual accounts corresponding to the three-month financial year ended 31 March 2020

2. Approval of the individual and consolidated management reports corresponding to the three-month financial year ended 31 March 2020

3. Approval of the Board of Directors' management and actions during the three-month financial year ended 31 March 2020.

4. Approval of the proposed application of results for the three-month financial year ended 31 March 2020.

5. Re-election of directors.

    5.1. Re-election of Mr. David Martínez Montero as executive director for the statutory term of three years.

5.2. Re-election of Mr. Santiago Fernández Valbuena as independent director for the statutory term of three years.

5.3. Re-election of Mr. Eduardo d'Alessandro Cishek as proprietary director for the statutory term of three years.

5.4. Re-election of Mr. Javier Lapastora Turpin as independent director for the statutory term of three years.

5.5. Re-election of Ms. Cristina Álvarez Álvarez as independent director for the statutory term of three years.

5.6. Re-election of Mr. Miguel Temboury Redondo as independent director for the statutory term of three years.

5.7. Re-election of Mr. Evan Andrew Carruthers as proprietary director for the statutory term of three years.

6. Re-election of Ernst and Young, S.L., as auditor of the Company's accounts and of its consolidated group for financial years 2020-2021, 2021-2022 and 2022-2023.

7. Approval, where appropriate, of the amendment to the term of the long term incentive plan by virtue of which shares of the Company are granted to the Chief Executive Officer.

8. Approval, where appropriate, of a new director remuneration policy.

9. Approval, where appropriate, of the amendment to article 13 ("Adoption of resolutions at the General Meeting") of the Bylaws in order to include technical improvements and to article 24 ("Approval of the annual accounts and application of profits") in order to include the possibility of interim dividends to be agreed upon and paid in kind.

9.1. Amendment relating to technical improvements.

9.2. Amendment relating to the possibility of interim dividends to be agreed upon and paid in kind.

10. Approval, where appropriate, of the amendment to article 9 ("Call notice"), article 10 ("Information available on the corporate website as from the call date"), article 14 ("Third parties at the General Meeting"), article 15 ("Representation") of the Regulations of the General Meeting of the Company and addition of an Additional Provision ("Telematic attendance at the General Meeting") in such Regulations to expressly regulate telematic attendance to the General Shareholders' Meeting, as well as approval of the amendment to article 16 ("Public request for proxy representation"), article 26 ("Right to information during the General Meeting"), article 27 ("Postponement and suspension of the General Meeting"), article 29 ("Voting on proposed resolutions"), article 32 ("Qualified majorities") and article 34 ("Publication of resolutions") of the Regulations of the General Meeting of the Company in order to include technical improvements.

    10.1. Amendments relating to the telematic attendance to the General Shareholders' Meeting.

    10.2. Amendments relating to technical improvements.

11. Authorization to the Board of Directors for the buyback of treasury shares, under the terms provided for in current legislation.

12. Delegation of powers to formalize, notarize and implement the resolutions adopted.

13. Consultative vote on the annual director remuneration report corresponding to the three-month financial year ended 31 March 2020.

The **Annual General Meeting was attended by 79 shareholders**, present or duly represented, holders of a total of 38,260,476 shares, or share capital with a par value of €38,260,476, i.e., **79.765% of share capital**. AEDAS Homes' share capital amounts to €47,966,587, represented by 47,966,587 ordinary shares with a unit par value of €1.



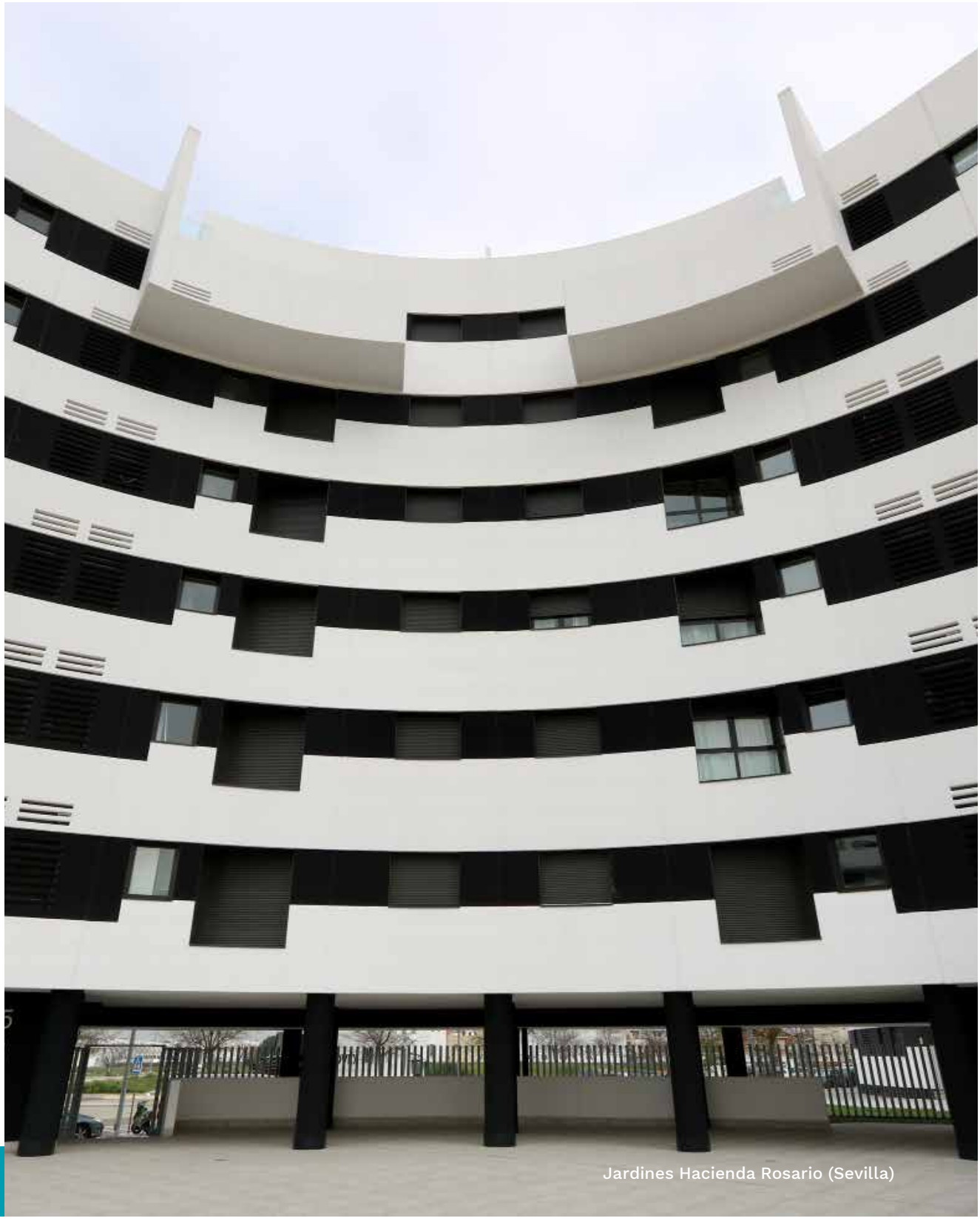
Bolzano (Valencia)

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 the Company's directors.

The overriding purpose of the Remuneration Policy is to define and control the Company's remuneration practices vis-a-vis its directors. It 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.



Jardines Hacienda Rosario (Sevilla)

2.4 Appointments and Remuneration Committee

Statement by the Chairman of the Appointments and Remuneration Committee

Dear shareholder,

On behalf of the Board of Directors of AEDAS Homes, S.A., I am pleased to introduce this report on the activities of the Appointments and Remuneration Committee (hereinafter, the Committee) in FY 2020-21.

The purpose of this document is 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 officer remuneration policies, including the share-based payment schemes, and their application, ensuring that individual remuneration is aligned with each professional's contribution, without generating unsubstantiated imbalances between directors or between officers.

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 eight times in FY 2020-21. The main initiatives undertaken:

- Review and validation of the annual corporate governance and annual director remuneration reports for the three-month financial year ended 31 March 2020 in respect of the activities pertaining to the Committee.
- Proposals for the re-election of four independent directors and reports on the re-election of another three.
- Review of the terms of contract applicable to the new Director of Legal Affairs; approval of the CEO's targets and review of his remuneration in relation to the newly approved director remuneration policy.
- Approval of an amendment to the LTIP and its proposal to the Board of Directors.
- Approval of the Skills Matrix pertaining to the members of the Board of Directors (and its update following one resignation and the appointment of a new director).
- Selection of a candidate for an independent director vacancy.
- Report on the variable remuneration of the senior management team.
- Self-assessment of the performance of the Board and its committees and the related continuous improvement plans.
- Approval of the Committee's Activities Report for the three months ended 31 March 2021 and of the Work Plan for FY 2020-21.
- Provision, by the Committee's Chairman, of an account of the Committee's activities at the Annual General Meeting.

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.

Those provisions are replicated below:

Board Regulations, article 15 Appointments and Remuneration Committee. Composition, duties and functioning

1. The Board of Directors shall set up a permanent Appointments and Remuneration Committee with the power to inform and advise. The Committee shall not have executive powers but will rather inform, advise and make proposals to the Board on the matters within its purview, as stipulated in this article. The Appointments and Remuneration Committee shall be made up of at least three and at most five members, designated by the Board of Directors at the proposal of the Chairman of the Board and selected from among its non-executive members. At least two members of the Appointments and Remuneration Committee must be independent directors.

2. The Board of Directors shall also appoint a chairperson from among the independent directors comprising the Committee. The Board can appoint a vice-chairperson if it deems opportune, in which case the provisions pertaining to the appointment of the chairperson shall similarly apply to the appointment of the vice-chairperson.

3. The Board shall also appoint a secretary to the Appointments and Remuneration Committee, who need not be a member thereof. Nor does a non-member secretary need be a member of the Board of Directors. The secretary of the Board of Directors may be appointed secretary of the Appointments and Remuneration Committee, whose secretary may also be someone different.

4. The directors who sit on the Appointments and Remuneration Committee shall exercise their committee duties for as long as they serve on the Board, unless the Board of Directors deems otherwise. The renewal, re-election and dismissal of the members of the Committee shall be governed by the terms and conditions stipulated by the Board of Directors.

1. Verifying compliance with the remuneration policies established by the Company.

2. Periodically reviewing the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensuring that their individual compensation is proportionate to the amounts paid to other directors and senior officers;

3. Ensuring that potential conflicts of interest do not jeopardise the independence of the advice provided by the Committee;

4. Verifying the information on director and senior officer remuneration that is disclosed in corporate documents, including the annual director remuneration report. [...]

Bylaws, Article 22.- Board committees

The Board of Directors will create an Audit and Control Committee and an Appointments and Remuneration Committee, each entrusted with the respective information, supervision, advisory and proposal duties specified by law and in these Bylaws and further developed in the Regulations of the Board of Directors.

In addition, the Board of Directors may create other committees with consultative or advisory duties. By way of exception, those committees may be given decision-making powers.



Article 529 quindecies, section 3 of the Corporate Enterprises Act

Without prejudice to the other duties stipulated in the by-laws or in compliance with them, the board of directors' regulations, the appointments and remuneration committee shall have, as a minimum, the following duties:

- Evaluating the universe of skills, knowledge and experience needed on the Board of Directors. To this end, define the duties and capabilities necessary in candidates who shall fill each vacancy and evaluate the time and dedication necessary in order to efficiently fulfil their commitment.

- Establish an objective regarding the representation of the least represented gender in the board of directors and develop guidelines on how to reach said objective.

- Submit to the board of directors, proposals for the appointment of independent directors for their nomination by co-option or for their submission to the shareholders' general meeting' decision, in addition to proposals for the re-election or dismissal of said directors, by the shareholders' general meeting.

- Inform of any proposals for appointment of all other directors for their nomination by co-option or for their submission to the shareholders' general meeting's decision, in addition to proposals for the re-election or dismissal of said directors, by the shareholders' general meeting.

- Inform of any proposals for appointment or dismissal of senior management and the basic conditions of their contracts.

- Research and organise the succession of the chairperson to the board of directors and the first executive of the company and, when relevant, formulate proposals to the board of directors so that said succession be processed in an ordered and well-executed manner.

- Propose to the board of directors, the directors' and managing directors' remuneration policy and of whoever else performs senior management duties under the direct supervision of the board, executive committees or delegated directors, in addition to the individual remuneration and other contractual conditions of executive directors, ensuring compliance with the same.

Appointments and Remuneration Committee Regulations

The Committee Regulations are not transcribed in full.

Members and areas of expertise

At 31 March 2021, AEDAS Homes, S.A.'s Appointments and Remuneration Committee was made up of three members, its Chairman and another two Board members. Two of the Committee's members are independent directors.

Member	Position	Category on the Board of Directors
Sr. Miguel Temboury Redondo	Chairman	Independent
Sra. Cristina Álvarez Álvarez	Member	Independent
Sr. 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.



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 this report on the activities of the Audit and Control Committee (the "Committee" or the "ACC"), corresponding to fiscal year 2020-21.

The purpose of this document is to inform you about the responsibilities and areas of focus of this Committee, as well as the work that we have carried out.

The Committee assists the Board of Directors in complying with its obligations in matters of corporate governance, monitors the reliability of the financial information that is presented to the Board including the internal control system of financial information (SCIIF), is concerned with the Supervision of both external and internal audit functions, the monitoring of corporate risks and the control of legal compliance. The Committee includes the supervision of compliance with legislation on the anti-money laundering and terrorist financing.

Fiscal year 2020-21 was especially demanding due to the COVID-19 pandemic, which had a global impact and has significantly affected the economy, not only in Spain but in all other countries around the world. The quick reaction of AEDAS Homes to adequately manage the crisis produced by this pandemic required the implementation of work from home plans and telematic management of systems and controls which were supervised by the Committee to ensure that we were sufficiently covered in this area.

The Audit and Control Committee met nine times during the 2020-21 period; all meetings were via videoconference, in line with the Company's strict adherence to COVID-19 protocols. As a result of the change in accounting year approved by the Annual General Meeting on 31 March 2020, the Committee needed to adapt its activities to the new 2020-21 financial year.

Throughout 2020-21, the Audit and Control Committee provided the Company with strong guidance in its efforts to further improve the culture of quality and customer service. To do so, the Committee carried out an in-depth analysis of the Company's practices and met with key members of the organization with oversight of these areas. After this review was complete, the Committee made a series of recommendations to the Board, and in response, the Company committed to implement series of measures designed to further improve the quality of the homes delivered and the overall experience of customers.

Going forward, the Committee will be responsible for supervising the implementation ESG Strategic Plan 2021-2023, monitoring of the Company's progress towards reaching its ESG targets and reporting this to the Board.

Javier Lapastora Turpín
Chair of the Audit and Control Committee

Responsibilities

Although the responsibilities attributable to the Committee are established in the Companies Law (Ley de Sociedades de Capital) and in the regulations of the Board of Directors, the main ones are as follows:

- Report to the board on the result of the audit, explaining how it has contributed to the integrity of the financial information.
- Supervise the effectiveness of the company's internal control, internal audit and risk management systems.
- Discuss with the external auditor of the company any significant weaknesses of the internal control detected in the development of its audit.
- Supervise the process of preparation and presentation of financial information.
- Submit selection proposals, appointment, reelection and replacement of the accounts auditor to the Board of Directors.
- Evaluate the independence of the auditors each year and prior to the issuance of the audit report.
- Inform the Board of Directors in advance on the periodic financial information that must be published, the creation or acquisition of interests in special-purpose entities or with residence in tax havens, and operations with related parties.



Members and areas of competence

As of 31 March 2021, the Audit and Control Committee is made up of three members: the president and two other members. All members must be on the Board of Directors and at least two of them must be independent directors.

Mr. Luis Vega Sorrosal, non-director Deputy Secretary of the Board of Directors, acts as secretary of the Committee.

Member	Position in the ACC	Type of director
Mr. Javier Lapastora Turpín	Chair	Independent
Mr. Santiago Fernández Valbuena	Member	Independent
Mr. Eduardo D'Alessandro Cishek	Member	Proprietary director

The chair, Mr. Javier Lapastora, has extensive experience in auditing and accounting as he is a registered auditor in Spain and a former PwC audit partner. He is a member of the Register of Accounting Experts of the ICJCE in Spain.

The Committee is confident that its members collectively have the necessary relevant competence for the homebuilding sector.

Risk management and internal control

AEDAS Homes has established a risk management system that is reviewed by the Committee and reported to the Board of Directors on a quarterly basis.

The Committee monitors the risk indicators and the internal control system of the company through the risk and internal audit functions.

The Board of Directors is informed on a quarterly basis of the evolution of the different risk indicators identified on the company map, as well as the tolerance indexes for these risks.

The risk matrix is reviewed annually and the risks to be monitored more closely for the following year are reassessed.

External audit

The Committee has met on several occasions with the external auditor who has presented the planning of his work as well as his evaluation of the main risks of the audit, his preliminary conclusions, his reports to the annual accounts presented and the internal control weaknesses that have been revealed.

The Committee has proposed to the Board of Directors the appointment of EY as auditor of the company and the group for the next three years since the legal period of rotation had not concluded and the services provided by the auditor have reached the required level of quality.



Azara (Alicante)

Internal Audit

The fundamental role of internal auditing is to assist the Board of Directors and the company's management in protecting the assets, reputation and sustainability of the group.

The internal audit department has frequent direct contact with the Committee and direct access to the chair of the Committee, with whom it directly dispatches matters and incidents that arise in the course of its work.

During the financial year, the Internal Audit function of AEDAS Homes was certified after an external verification by the Institute of Internal Auditors of Spain of compliance with the regulations and code of ethics of said institute. AEDAS Homes is the first company in its industry to obtain this qualification.



Bremond Son Moix (Palma de Mallorca)

Committee meetings

The following summary explains how the Committee's responsibilities relating to audit, risk, internal control and other matters were carried out over the period.

May 2020

In its first May meeting, the Committee reviewed the report on the Financial Information Internal Control System (SCIFF) for FY 2020 (1 January - 31 March 2020), with satisfactory results; the report on Internal Audit activities taking place during the same period; reports on both risk and compliance activity in FY 2020; a report from an independent anti-money laundering (AML) expert; the measures being adopted by the Company to improve customer satisfaction after handover; and the execution status and positive outcome of the Company's CSR activities in FY 2019.

In its second May meeting, three reports for submission to the Board, were presented: the Committee's Activities Report, the report on the independence of the external auditor for the period, and the report of transactions with related parties, all for the period ended 31 March 2020. The Committee reviewed the individual and consolidated FY 2020 Annual Accounts and the individual and consolidated Management Report for the period, for subsequent approval by the Board, and the conclusions and draft report for the period were presented by the external auditor. The Committee proposed to the Board that Ernst & Young, S.L., be re-appointed as external auditor of the accounts for the Company and its group, through FY 2022-23, which was later approved.

June 2020

The Committee reviewed the internal audit being carried out on a tool developed by the Company to monitor cost control and timing of its developments, as well as financial and commercial aspects. It presented the anti-money laundering report by an independent expert and the Company's AML Action Plan to the Board, both of which were approved and oversaw the update to the Company's Risk Matrix, which was revised to fully address risks related to the Covid-19 pandemic, as well as the regular quarterly review of the Map.

July 2020

Internal Audit reported to the Committee that the Spanish Institute of Internal Auditors had favourably rated the Company's internal audit function, and that the Company was the first developer to have received the score. Internal Audit also presented the favourable results of the SCIIF assessment and reported on the progress on other audit tasks being performed. Risk and Compliance reported to the Committee on how it had followed up on recommendations made by an independent expert in the review of its AML system and on the benchmark carried out on the Company's post-Covid Risk Map, which was founded to be aligned with the sector. The CFO presented the ratification of the approval of EY's services; the approval of EY's auditing proposal for FY 2020-21; a proposal for requalifying certain reserves; a presentation on the tasks performed by different auditing companies working for the Company; and the report on Q1 2020-21 financial results.

October and November 2020

In October, the Company's external auditors presented how they would approach the FY 2020-21 Accounts.

In its first November meeting, key areas of focus for the Committee were (i) the presentation of results of the SCIFF review, which was deemed to be working very satisfactorily, (ii) the internal audits to be carried out on a sample of developments (finished and under construction), (iii) and an internal audit of the ICT Security Policy, which was deemed fit for purpose. An analysis on the impact of the new Corporate Governance Code, published by the CNMV in June 2020, was also presented and included the identification of key impacts on the Company, as well as an update on ongoing internal audit projects and the results of a verification carried out on compliance controls for the data protection policy, which was deemed acceptable.

In its second November meeting, the Committee reviewed the Company's Interim Condensed Consolidated Financial Statements for the half-year period ended 30 September 2020 and the accompanying Management Report, as well as the draft presentation by the external auditors on their limited review of those financial results. The Committee reported favourably on these statements and brought them to the Board for approval. The Committee also reviewed a compliance report on controls carried out to prevent criminal behaviour.

February 2021

The Committee reviewed the Company's nine-month intermediate management report, which had received no relevant comments from the external auditors. It also reviewed the Q2 2020-21 report on risk map indicators and findings from Internal Audit of their review of the SCIIF control set, with 97% effectiveness. Internal Audit presented its review of several developments, which focused on the twin parameters of product quality and customer experience, explaining the findings and areas for improvement. The Committee decided it would meet with internal teams to focus on how these two parameters could be improved. The Committee also reviewed the Business Continuity plan and the satisfactory results of the cybersecurity audit carried out by Internal Audit. The Q2 2020-21 risk report presented by Compliance included no relevant findings except for those related to product quality and customer experience, in line with the findings of Internal Audit.

March 2021

The Committee reviewed the Company's overheads budget for the 2021-22 fiscal year and the Chair presented his findings on the product quality review that had been carried out.

Internal Audit presented its audits of the Business Continuity Plan, the Company's prevention of money laundering and financing of terrorist activities in 2020-21, investments and developments, as well as an update on its 2020-21 Annual Plan for Internal Auditing, its declaration of independence and objectivity for 2020-21 and its 2021-22 Annual Plan for Internal Auditing.

Compliance presented an update on the recommendations made by the independent expert on anti-money laundering and the prevention of financing of terrorist activities, its Achievement Plan for 2021-22 and its Risk Management Plan for 2021-22.

Work plan for 2021-22

The Committee has a work plan that assigns the different tasks that it has planned during the year to the different meetings that it had initially planned. The work plan includes eight meetings for the year; this number may be increased depending on the needs that arise during the year.



South Bay Las Mesas (Estepona)

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 2021.

AEDAS Homes fosters a **culture of innovation**, viewing **technology as an enabler and driver of its residential development business**, with the power to **transform the company's relationship with its customers and other key stakeholders** and improve its **competitive edge**.

As you know, the Board of Directors has the duty to supervise cybersecurity and IT risks; the **CTIC falls under the remit of the Board. The CTIC has the responsibility of reporting on, evaluating and creating proposals related to technology, innovation and cybersecurity**, and likewise, it approves and revises the **Strategic Technology Plan** and supervises the alignment of the Plan with the Company and its operations.

The CTIC met three times during the 2020-21 fiscal year; all meetings were held via videoconference to adhere to Covid-19 protocols. Throughout 2020-21, the CTIC provided the Company with guidance to help it achieve **four aims**: digitalise internal processes, extract value from data, connect with customers in new ways during the pandemic, and protect its stakeholders with a strong cybersecurity policy and management system. The following summary highlights the CTIC's key areas of focus during fiscal year 2020-21.

Strategic Digitalisation Plan

The CTIC's overarching focus for 2020-21 was guiding the preparation of the Company's **Strategic Digitalisation Plan**, which will culminate in fiscal year 2021-22 and subsequent years. This plan will allow the Company to **harness technology, data and digital transformation to further its business objectives across every level of the organisation**. This strategic plan is being **co-led by the Technology area and the Innovation, Data and Digital Transformation area**.

Technology

Over the course of the year, the CTIC supervised a wide range of technology projects that aimed to (i) improve employee productivity through the digitalisation and automation of processes and the creation/improvement of digital tools and databases used company-wide to manage developments and business activity; (ii) drive sales; (iii) improve customer experience; (iv) take data-driven decisions; (v) ensure compliance excellence, especially regarding the prevention of money laundering; and (vi) provide the Company with a mature cybersecurity programme.



Jardines Hacienda Rosario (Sevilla)

Innovation

LIVE Virtual Tours, a product of the **Innovation** department, which is guided by the CTIC, provides a clear example of the Company's **success in fostering relationships with customers through digital channels** during the pandemic. LIVE gave customers (both foreign and national) the opportunity to virtually visit developments during lockdown and served as a new way to market developments and improve sales in the Covid context. The total number of LIVE virtual tours of AEDAS Homes developments jumped 42% in 2020-21 (vs April 2019 – March 2020), and the total number of sales reservations made solely after a LIVE tour (without visiting a sales office) skyrocketed, from 14% to 70% - a clear example of how innovation made it possible for the Company to continue its strong connections with its customers during the pandemic.

Innovation initiatives serve as the foundation to rethink how the AEDAS Homes operating model can be reshaped using data and technology, opening new potential sources of revenue or efficiencies. **Innovation is part of the AEDAS Homes culture and deeply embedded in its DNA**.

Cybersecurity

Information is an extremely important asset to the Company, enabling it to carry out its commercial functions successfully and fulfil its obligations to stakeholders. To ensure the security and correct management of this vital asset in the business, facilities and digital resources of the entire AEDAS Homes organisation, the CTIC oversaw the revision and updating of the Company's **ITC Security Policy in 2020-21, according to best market practices and technical recommendations that meet international standards, in line with ISO 27001/27002**. After being submitted to the Board in November 2020, it was unanimously approved.

The Board ensures that strong governance structures are in place for **cybersecurity** management, and the CTIC's endeavours to ensure that cybersecurity procedures and processes are in place to monitor and respond to data breaches, cyberattacks and other threats as they involve. Under the framework of its cybersecurity management system, the Company **conducts regular internal and external security audits and penetration testing to assess the vulnerability of its systems, products and practices affecting user data, in addition to ensuring that all employees receive cybersecurity training regularly**. Educating and training employees is another one of the key pillars in the Company's cybersecurity strategy, and several courses were organised during the year.

As the fiscal year drew to a close, the CTIC determined that the Company had all the most relevant technological tools in production and in the coming year would be able to **focus on maximising the potential of these powerful tools**, managing all the KPIs and data coming from them as with any other operating process, keeping in mind that cybersecurity is a never-ending activity. Due to the increased number of ransomware events, this will be one of the key elements to monitor this new fiscal year.

In a short period of time, the Company has been able to develop a **solid data-driven** platform and generate good reporting, putting it in a strong position to become a truly data-driven company. The CTIC also determined at the end of the fiscal year that with regard to cybersecurity, all basic key elements were in place, and that it would continue to oversee how the Company responds to ever-growing and changing threats, supervising the most relevant cybersecurity KPIs.

Going forward, the CTIC will continue to guide the Company in its strategic approach to how technology can support business objectives over the next three years, by revisiting processes, work methods, digital tools and customer interactions, with the goal of fully integrating the Strategic Digitalisation Plan across all areas of the business.

Cristina Álvarez Álvarez

Chair of the Technology, Innovation and Cybersecurity Committee

2.7 Management Committee

AEDAS Homes' Management Committee is made up of seven 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:

- **Inform:** The Management Committee must keep the CEO apprised of all relevant developments at the organisation and its various business areas.
- **Caution:** 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.

David Martínez - Chief Executive Officer

Complete profile in Board of Director page 53.



David Martínez
Consejero Delegado

Alberto Delgado

Chief Operating Officer

Alberto coordinates, runs and controls the key business departments (the regional units and the sales and marketing, operations, customer relations and product quality departments) in his capacity as COO, framed by the Company's guidelines, objectives and policies, to ensure the medium- and long-term viability of the business, as set down in the business plan. He is also participates in Company decision-making about new investments and/or strategic positioning, again with the mission of ensuring business sustainability in the medium and long run.

Background

A civil engineering graduate from Madrid's Polytechnic University. Alberto has over 20 years' experience in the real estate sector.

He began his career in ACS's residential construction division. He was then hired by Vallehermoso, where he worked in Catalonia and Madrid for over a decade, initially on the business side and the last three years as the head of finance. He joined AEDAS Homes in 2016 and has been its COO since 2017.



Alberto Delgado
Director General de Negocio

Sergio Gálvez

Managing Director of Strategy, Investment and Alternative Developments

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. His duties include heading up the investment, land development, alternative development, growth, strategy and land sale departments and the alternative build-to-rent channel.

Background

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 strategic consulting, specifically in Arthur Andersen's real estate division. He joined AEDAS Homes as Director of Business Development in 2016 and in 2017 he was named Chief Investment Officer. In 2019, he was named Managing Director of Strategy, Investment and Alternative Developments.



Sergio Gálvez
Director General de Estrategia, Inversiones y Desarrollos Alternativos

María José Leal

Chief Financial Officer

María José is responsible for securing and controlling the organisation's financial resources, running its corporate finance functions, in keeping with the applicable prevailing accounting, legal and tax frameworks, and ensuring that the Company's financial procedures are followed so as to consistently provide a fair view of the Company's financial strength. Investor relations also falls under her purview.

Background

A business administration graduate from CUNEF, María José has also completed IESE's executive management programme. She has extensive experience at fast-growing, listed multinational enterprises.

Most recently, she has worked as Deputy CFO at the high-profile listed companies AENA and PROSEGUR. She was named CFO of AEDAS Homes in November 2018.



María José Leal
Directora Financiera

Esther Duarte

Chief Resources Officer

Esther is responsible for defining and overseeing the Company's resource management strategy by running the HR, health & safety, sustainability, process, quality, internal communication, general services, document management and infrastructure & communications departments. Her mission is ensure responsiveness to the Company's needs and demands and to help provide AEDAS Homes' professionals with the skills and capabilities needed to become more productive and so contribute to the creation of value.

Background

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 more than 20 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.



Esther Duarte
Directora de Recursos Corporativos

Luis Vega

Director of Legal Advisory

Luis is responsible for heading up, running and controlling the activities of the legal advisory and risk and compliance departments to ensure that AEDAS Homes upholds all applicable laws and regulations in order to safeguard its reputation and business interests.

Background

A law graduate (specialised in business law) from IES CEU San Pablo, Luis also holds a Master's in Town Planning from the CEU San Pablo Business School and has completed IESE's management development programme.

Luis brings more than 23 years' experience and expertise in property and planning law, restructurings and business and finance law and as company counsel. Throughout his career, he has served as company counsel, executive committee member and board secretary at several companies in the property development, property management and energy and construction sectors, including Grupo Aldesa, GMP Sociedad de Inversiones Inmobiliarias, Grupo Empresarial Pinar, Ferrovial Inmobiliaria, Freshfields Bruckhaus Deringer and Iberforo. He has been the Vice-Secretary of AEDAS Homes' Board since he joined the Company in 2020.



Luis Vega
Director de Asesoría Jurídica

Javier Sánchez

Director of Innovation and Branding

Javier spearheads the Company's efforts on the innovation, data management and digital transformation fronts, creating unique customer experiences, defining new product and service attributes, exploring new business models, fostering a digital culture and creating, from the data generated, an analytical and forecasting system at the service of business efficiency and intelligence. He is also responsible for brand development and strategic positioning and for the Company's corporate communication effort.

Background

Javier holds a dual degree in law and business studies from ICADE.

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.



Javier Sánchez
Director de Innovación y Marca



Cook (Hospitalet de Llobregat)

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 2020, AEDAS Homes continued to expand its footprint to new areas of Spain, particularly in the north, where it acquired new land. 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 we believe 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 potential buyers with medium-high purchasing power. AEDAS Homes has a competitive advantage in that segment, as there is less competition for those deals, giving the Company stronger price bargaining power. The Company is currently working on four transactions in Galicia, Navarre and Valladolid with a development potential of 250 new homes.

In light of the business volumes those new regions are expected to generate in the coming years, in order to manage them effectively, the Company redistributed its resources in 2020, a process that has culminated in the creation of a new regional unit dedicated northern Spain in 2021.

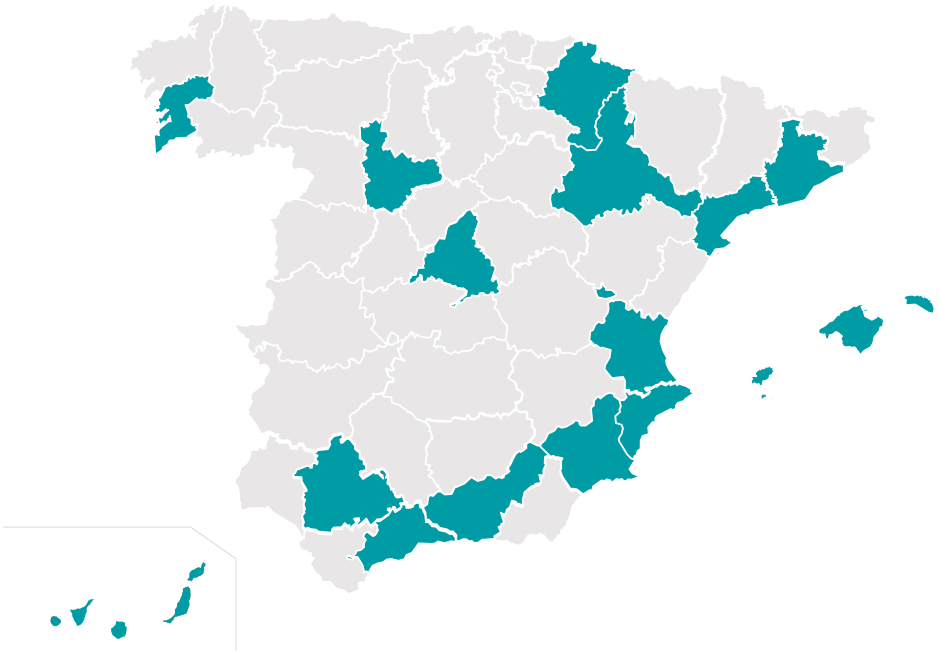
Last year, the Company also set up a branch in the Canaries, which is included within the Andalusia regional unit, from which all developments on those islands will be handled.

"AEDAS Homes is present in the most dynamic new home developments markets in Spain. Its business model is decentralised and scalable"

The Company currently conducts its business across the following regional units: Catalonia and Aragon (Barcelona, Tarragona and Zaragoza); the Central region (Madrid); Andalusia (Seville, Western Andalusia and the Canaries); Costa del Sol (Malaga); the Eastern region (Valencia, Alicante, Murcia and Mallorca); and the Northern region (Valladolid, Pontevedra and Navarre).

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. That 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.

AEDAS Homes regional branches



Pablo Alonso

Director of the Central region

A law graduate from León University, Pablo also holds an LLM in Business Law from Navarra University. He has been working in the sector for 23 years.

Before joining AEDAS Homes, he worked at sector players such as Testa, Vallehermoso and Grupo Sacyr.



Pablo Alonso
Director of the Central region

David Gómez

Director of Catalonia and Aragon

A civil engineering graduate from the Catalan Polytechnic University, David also holds an MBA from ESADE.

He has been working in the real estate sector for more than 20 years. He has held executive positions in the residential development segment at different Spanish companies including Banco Sabadell, Solvia and Vallehermoso.



David Gómez
Director of Catalonia and Aragon

José Ignacio Fernández

Director of Costa del Sol

A law graduate from Seville University. He holds an MBA from the San Telmo International Institute, a Master's in Town Planning and Management from Carlos III University and a Master's in Town Planning and Design from the Seville School of Architecture. He also has attained research proficiency for the PhD in Town Planning at Seville University's 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.



José Ignacio Fernández
Director of Costa del Sol

Juan López

Director of East and Balearics

A technical architect (Alicante University), Juan has also completed the the IESE executive development programme. Juan has extensive experience in real estate, having worked at Solvia and Hansa Urbana prior to joining AEDAS Homes.



Juan López
Director of East and Balearics

Diego Chacón

Director of Andalusia

A civil engineering graduate from Granada University, Diego also holds an MBA from EOI and has completed the senior management programme at San Telmo Business School. He has been working in the sector for 19 years. Before joining AEDAS Homes, he worked at Hansa Urbana.



Diego Chacón
Director of Andalusia

Higinio Fernández

Director of the Northern region

Higinio is a civil engineering graduate from Cantabria University. He brings ample sector experience thanks to a career built up at Ferrovial, Vallehermoso and CaixaBank.



Higinio Fernánez
Director of the Northern region



Bremond Son Moix (Palma de Mallorca)

2.9 Anti-money laundering and anti-corruption

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

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

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

"AEDAS Homes has formulated a compliance programme with the aim of establishing a culture of ethics while guaranteeing respect for applicable legislation"

Anti-money laundering

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

- Internal Control Body: AEDAS Homes has a designated internal control body which is tasked with supervising AML/CTF compliance at the Company
- Risk and Compliance Department: the Company's risk and compliance function is responsible for managing the AML/CFT model
- AML/CFT Manual: embodies the internal policies and procedures which need to be followed by all employees to comply with applicable legislation
- Due diligence: AEDAS Homes' Technical Unit carries out due diligence procedures for every single customer that buys one of the Company's homes. Company procedures prohibit sales without that unit's clearance. If customers present higher risk profiles, the Company carries out more stringent due diligence.
- External expert report: as required in applicable legislation, AEDAS Homes submits annually to a review by an external AML/CTF expert. That report is presented to the Board of Directors within three months of issuance.
- Training: all employees receive AML/CFT training annually. That training was duly provided in 2020
- Internal Audit review: the Internal Audit function analyses the effectiveness of the AML/CFT framework annually and reports its findings to the Audit and Control Committee
- Analysis and reporting of suspicious transactions: suspicious transactions are duly analysed and reported to the AML watchdog as necessary

Corporate crime prevention

AEDAS Homes has a Corporate Crime Prevention Framework, which is articulated around the following structures:

- Code of Conduct: the Company has a Code of Conduct which embodies its values and specifies the types of conduct it does not tolerate. It must be endorsed by all new hires
- Code of Conduct for Third Parties: all essential suppliers that collaborate with AEDAS Homes have to sign the Code of Conduct for Third Parties before doing business with it. By doing so they commit to aligning their activities with AEDAS Homes' values and to not breaching the code rules.
- Compliance Manual and Policy: the documents which establish the ground rules for the Corporate Crime Prevention Framework.
- Anti-Corruption Policy: establishes the rules applicable to employees with respect to gifts and hospitality vis-a-vis the public and private sectors.
- Compliance Committee: the body responsible for supervising regulatory compliance and coordinating the measures needed to that end.
- Risk and Compliance Department: the Company has a risk and compliance function tasked specifically with managing the corporate crime prevention effort.
- Criminal risk map: the map is used to identify and assess the criminal risks to which the Company is exposed, enabling it to identify the biggest risks and establish mitigating measures.
- Risk and control matrix: the matrix encompasses all information related to the controls in place at the Company for monitoring criminal risks, including the risk of corruption. The Company currently has 125 controls in this respect.
- Whistle-Blowing Channel: employees are obliged to report conduct that violates the Company's Code of Conduct or applicable legislation using the Whistle-Blowing Channel. They may do so anonymously.
- Annual budget: the Risk and Compliance Department is assigned an annual budget for managing the crime prevention effort.
- Annual controls: the model is reviewed annually to verify its effectiveness. As part of that exercise, the effectiveness of the anti-corruption controls is also assessed. The results of the controls and the action plans devised to remedy areas in need of improvement are reported to the Audit and Control Committee
- Training: the Company provides its employees with the training needed to ensure they are sufficiently familiar with the core elements of the Corporate Crime Prevention Framework.

Data protection regulations

- Policies and procedures: the Company has put in place the policies and procedures needed to ensure that the data it processes is handled in compliance with applicable regulations
- Data protection clauses: AEDAS Homes has enabled data protection clauses in all the channels through which it receives personal data in order to comply with the disclosure and consent requirements established in applicable data protection regulations
- Technical measures: AEDAS Homes has enabled the technical measures needed to keep evidence of its compliance with its data protection disclosure requirements and the consents obtained from the various data subjects
- DPO: the Company has a Data Protection Officer whose job is to supervise compliance with data protection requirements
- Data subject rights: AEDAS Homes has implemented the measures needed to enable data subjects to duly exercise their data protection rights
- Security breaches: the Company has taken the measures required to ensure the due management and reporting of any security breaches
- Annual controls: AEDAS Homes carries out annual checks to verify compliance with data protection regulations and enhance the control environment



Cipión (Valladolid)

2.10 Health & 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 incorporation in 2017. The last management system certification audit, along with the legal audit required under Spanish Royal Decree 19/1997, was conducted - satisfactorily - in June 2020.

In light of the ongoing pandemic that emerged in 2020, one of the most important actions taken during the reporting period was to define and implement COVID-19 safety protocols at all AEDAS Homes workplaces. Among the measures deployed, the following stand out: the expansion of office space to enable social distancing; antibody and rapid surge testing on several occasions during the year; and, naturally, the provisions of the personal protective gear needed. The safety officers supervised implementation by the contractor firms of our safety protocols at active construction sites.

Although the level of construction activity increased with respect to 2019 (5.9 million hours worked) in 2020-21 (9.5 million hours), the injury frequency rate (no. of lost-time injuries/no. of hours worked x 1,000,000) declined from 14.75 to 12.07, a measure by which AEDAS Homes outperformed the construction sector average.

The improvement is attributable to the rollout of 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 are presented regularly to the Company's senior management. The main tool used to control the safety management system is the performance of assessments at 30% and 70% of completion of building work. In 2020 a total of 60 such assessments were carried out, yielding an average score of 75.59%, which is above the target of 73%.

"AEDAS Homes is committed to providing a safe working environment for its employees with a health and safety management system"

Management of the COVID-19 crisis

The COVID-19 health crisis has changed the occupational health and safety paradigm. Against that backdrop, AEDAS Homes has adapted its everyday activities to address the new reality and prioritise the protection of all of its employees, customers and suppliers. As soon as it realised the gravity of the situation, the Company began to work intensely to keep its professionals healthy in a safe working environment, while enabling continued productivity, so as not to jeopardise delivery of the business and financial targets set for the year in the Business Plan.

Acting at all times upon the recommendations of the World Health Organization and Spain's health authorities, a functional action plan was designed for the entire Company. That plan included remote working and a specific training programme for all AEDAS Homes employees.

During the lockdown it was essential to keep the Company's employees safe, but also to preserve a team spirit and sense of proximity among professionals. To that end, the Company did the following:

- CEO engagement: the Company's CEO sought to open up an internal communication channel - which materialised in an online forum - through which any employee could pose questions or express concerns.

- Follow-up by the Corporate Resources Department: to monitor how everyone was doing during the weeks of hard lockdown and find out whether they needed anything specific.

- Employee Portal initiatives: photos of employees working from home; Father's Day celebration; home videos documenting life during lockdown, etc.

- Charitable work: Participation in a charity run to raise proceeds for the Spanish Cancer Association and participation in special workshops organised by the Capacis Foundation.

The first phase of restriction easing began in May 2020. A plan was designed to allow the very gradual resumption of in-person work. To implement it, the Company sent all of its employees a survey to learn about their specific circumstances and organise the safe and staggered return to the office. By then the Company had a dedicated COVID protocol, which has been updated continuously as more has been learned about the virus. That protocol remains in place and its application is mandatory across all workplaces. Compliance with its contents is overseen by the Corporate Resources Department. All of AEDAS Homes' workforce has been physically back at work since October.

Health and safety culture

With the aim of fostering a culture of health and safety, AEDAS Homes provides online health and safety induction training to all new hires, in keeping with article 19 of Spain's Workplace Health and Safety Act. It also has an Employee Portal onto which all of the Company's policies, processes, procedures, manuals and protocols have been uploaded to facilitate employee access to related health and safety related information.

In addition, to highlight the importance of health and safety for everything AEDAS Homes does, in 2020 the Company held the second edition of its health and safety prize, which is awarded to the most exemplary development during the past year. The region to which the winning development belongs gets to choose a charity to which to donate €3,000. Last year the winner was the East and Balearics regional unit, which made its donation to the Payasospital Foundation. That association visits girls and boys in hospital in the region of Valencia, offering them professional clown performances that are tailored for each child and coordinated carefully with the healthcare professionals.

"With the aim of fostering a culture of health and safety, AEDAS Homes provides health and safety induction training to all new hires"



Arista (Pamplona)

03 Risk management



Lángara (Torrejón de Ardoz)

AEDAS Homes has an enterprise risk management (ERM) system which is regulated by its Risk Management Policy.

The purpose of the ERM system is to create a corporate risk model that enables the Company 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 steps:

- **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 are not already contemplated in the ERM model that could jeopardise the Company's ability to attain its strategic, business or financial objectives.

- **Assessment:** the inherent probability, the inherent impact and the robustness of the control environment are assessed for each of the relevant risks. AEDAS Homes' risk map contemplates three categories of risk: "critical", "under surveillance" and "under monitoring".

- **Management:** the risks classified as "critical" and "under surveillance" are included in the management mechanism, which implies:

    - Identifying specific risk events
    - Establishing monitoring indicators for each risk event and assigning risk tolerance thresholds
    - Establishing action plans for any indicators that are above the tolerance thresholds established by the Company

- **Update:** the model is reviewed and updated annually.

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.:

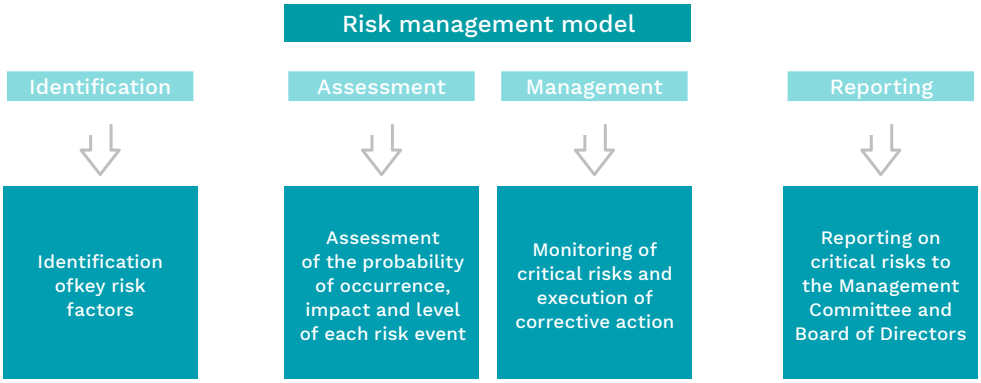
- Board of Directors: Its duty is to define, update and approve AEDAS Homes' Risk Control and Management Policy and establish prevailing risk tolerance levels.

- Audit and Control Committee: Its task is to supervise the internal control and risk management systems, making sure that the key risks are identified, managed and maintained within the planned levels.

- Management Committee: Its work involves allocating responsibilities for risk management, analysing the results of the risk assessments to determine their level of severity and approving attendant responses and initiatives.

- Risk and Compliance Department: The Compliance Department helps the Audit and Control Committee and the Management Committee fulfil their mandates, mainly by coordinating the activities defined in the Risk Management and Control Policy, ensuring that the risk management system works correctly and compiling relevant reports.

- Officers and other risk owners: They identify and assess the risks that fall within their purviews. In addition, they recommend and report indicators for monitoring, as well as proposing and implementing risk mitigation plans and reporting on their effectiveness.



AEDAS Homes' risk management model groups its risks into a number of specific categories. The reader should note that in FY 2020-21 the names of some of the risk categories were changed to better reflect the nature of the underlying risks (those changes are indicated below).

Strategic risks

- Fall in demand for new housing (formerly called "Real estate market")
- Land bank
- Customer satisfaction (formerly called "Expertise")
- Availability of financing for AEDAS Homes
- Reputation
- Share price performance (formerly called "Securities markets")

Operational risks

- Purchase of land
- Transformation of land
- Project execution (formerly called “Development”)
- Sales
- Talent management
- Technology
- Cybersecurity
- Health & safety
- Property security

Financial risks

- Interest rates
- Liquidity
- Availability of financing for customers (formerly called “Credit risk”)
- Asset valuations
- Reliability of the financial information



Arana (Villanueva del Pardillo)

Compliance risks

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

In FY 2020-21, AEDAS Homes continued to monitor and manage the risks deemed critical based on the assessment conducted by the members of its Management Committee.

The following risks are deemed critical:

- Fall in demand for new housing
- Share price performance
- Land bank
- Project execution
- Customer satisfaction
- Health & safety
- Cybersecurity
- Transformation of land
- Availability of financing
- Sales

The risks included on the above list were tracked quarterly and action plans were set in motion for those indicators in excess of the stipulated tolerance thresholds.

In terms of the risks that materialised during the year, it is important to highlight the significant downturn the various macroeconomic indicators due to the ramifications of the Covid-19 pandemic. For example, in 2020, housing prices corrected in some Spanish provinces and the number of foreign buyers declined.

In relation to the risks associated with Covid-19, the Company's directors and management are monitoring developments with respect to the global pandemic constantly with a view to assuredly mitigating any potential impacts, whether financial or non-financial. Those aspects played a key role in the risk management activities carried out by the Company during the reporting period.



Qian (Majadahonda)

The Company has been monitoring the status of the relevant risk factors with the aim of correctly assessing the potential impact of the pandemic on AEDAS Homes' financial performance and preparing the Company to take appropriate risk mitigation measures. Specifically, in FY 2020-21 it undertook an extraordinary review of its corporate risk map in order to identify potential areas of risk in need of reinforced supervision. Those risks relate essentially to sales and access to financing. The following risk categories have been deemed relevant from the Covid-19 perspective and located in the upper quadrant of the corporate risk map as a result of the assessment carried out by the Company's senior management team:

1. Fall in demand for new housing: volatility or external factors that could affect supply and demand in the housing market and could impede delivery of the growth forecasts contained in the Company's business plan. As already noted, the Covid-19 pandemic has had an adverse impact on Spain's key macroeconomic indicators, which could affect the Company's ability to deliver its business targets. However, that risk factor is mitigated by the type of product developed by AEDAS Homes and the fact that its developments boast strategic locations.
2. Availability of financing (customers): the risk that AEDAS Homes customers could find it hard to secure the financing needed to purchase the homes being developed by the Company, potentially impeding delivery of the Company's sales targets going forward and even triggering the cancellation of pre-sales and private sales contracts by the customers faced with such difficulties.
3. Availability of financing for AEDAS Homes: a scarcity of financing opportunities or the existence unpalatable financing terms that would increase its borrowing cost and thereby erode the Company's profitability. More specifically, this risk factor could take the form of the banks imposing harsher terms on the developer loans they extend the Company, which in turn could have an adverse impact on its development margins. Nevertheless, the market is currently characterised by abundant liquidity and low borrowings costs.

4. Share price performance: adverse impacts on the Company's market value due to adverse trends in the securities markets or regulatory changes that make it harder to attract or retain investors. For example, the volatility that has taken hold of the financial markets at times since the onset of the health crisis in March 2020.

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

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

"The Company has been monitoring the status of the relevant risk factors with the aim of correctly assessing the potential impact of the pandemic on AEDAS Homes' financial performance"



Fineo (San Sebastián de los Reyes)

In FY 2020-21, the Company took the following measures with a view to monitoring and managing the risk factors itemised above:

- Identification of the adequate monitoring indicators. The indicators currently being monitored by the Company include:

  - Macroeconomic indicators (GDP, trend in unemployment, consumer sentiment, etc.)
  - Customer satisfaction levels
  - Sales levels
  - Works delays
  - Pre-sales cancellations (%)
  - Level of pre-sales required by the banks in exchange for developer loans (%)
  - Cybersecurity indicators (password changes, number of insiders patching and updates, etc.)
  - Worksite accidents

- Establishment of tolerance thresholds that reflect the Company's risk appetite in relation to each risk category
- Regular monitoring of the status of the risk indicators so identified
- Implementation and oversight of action plans designed to mitigate the risk factors

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

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

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



Taracea (Granada)

04 Non-financial information



Bremond (Palma de Mallorca)

4.1 Introduction

AEDAS Homes is firmly convinced that society and large enterprises need to commit to the safeguarding the planet and that the home development industry should be a beacon for sustainability in the short and medium term, actively fostering the transformation of the built environment.

That is why, in 2020, AEDAS Homes formulated its first dedicated Strategic ESG Plan (2021-2023) to help it continue to spearhead the sector, framed by a professional framework of conduct. The ESG Plan sets down the Company's commitments, roadmap, initiatives, KPIs and strategic priorities in the sustainability arena. That roadmap is defined and structured around each of the three dimensions of ESG: environmental, social and governance.

The idea underpinning the plan is to help the Company transcend its purely financial performance by making a corporate commitment to having a positive impact on the communities it affects and raising the profile of all of the initiatives it undertakes and is planning to undertake vis-a-vis its various stakeholders.

In this section of the annual 2020-21 Integrated Report, AEDAS Homes provides, among other things, the information needed to understand the Company's performance, results and situation and the impact of its activities along the environmental, social and governance (ESG) dimensions. AEDAS Homes is 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.

"AEDAS Homes is committed to creating economic, social and environmental value for each of its stakeholders"

Values

AEDAS Homes' mission is to **create places to live in which its customers and their nearest and dearest can feel their happiest.** To deliver that purpose of providing wellbeing in a broad sense, AEDAS Homes articulates its everyday activities around five core values or principles.



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

Thanks to a clear mission, a unique corporate culture and a solid set of values, AEDAS Homes is able to create a product with clearly recognised attributes. The homes built by AEDAS Homes are:



High quality:
materials, structure, fittings, guarantees



Beautiful:
exterior and interior design, timeless, durable



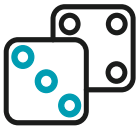
Sustainable:
energy efficient, certified, industrialised, circular economy



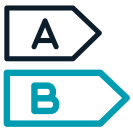
Healthy:
sport, leisure, neat and tidy, pure air, clean water



Safe:
surveillance, sensors, alarms, access controls



Entertaining:
location, common areas, games area, terraces



Accessible:
walkways, lifts, ramps, garages

4.2 AEDAS Homes' ESG initiatives in 2020-21

A. Environmental dimension initiatives

In FY 2020-21 AEDAS Homes continued to work hard to become a benchmark for sustainability in home building. The key environmental performance indicators for AEDAS Homes' developments are:

30
Nº of BREEAM projects, 2020

140
Nº of Green Book projects, 2020

66
Nº of completed Ecoliving Guides

82
Nº of Ecoliving Corners at sales outlets

39
Nº of LCA reports



Piteas (Pozuelo de Alarcón)

In order to continue to be a 100% sustainable developer, framed by the ultimate goal of fully decarbonising the sector, AEDAS Homes' initiatives **along the environmental dimension** in 2020-21 were inspired by the following goals:

- AEDAS Homes aspires to be a 100% sustainable developer. To that end it is a **World Green Building Council** signatory. We are collaborating with that non-profit organisation on the roadmap for attaining two major milestones in 2030 and 2050:

    - A reduction in CO_2 emissions related with the production of materials (net embodied carbon) and in total emissions throughout a building's useful life (net operational carbon) of 40%. AEDAS Homes' specific commitment is even more ambitious: to cut those emissions by 50%.

    - By 2050, the goal is to reduce net embodied carbon and net operational carbon to zero.

- The Company is also pursuing measures specifically aimed at improving customer health and reducing its assets' environmental footprint, such as the installation of dual-flow ventilation systems, the use of VOC-free paint and other materials with eco-labels (EPDs) and energy efficiency certifications. The current status of the Company's developments in that respect is as follows:

    - **Developments completed with AA certification - 38%** (15 AA-rated developments out of the 40 completed).

    - **Developments designed with AA certification - 40%** (31 AA-rated developments out of the 78 in design/construction).

    - **Developments completed with A or B certification - 48%** (18 A or B-rated developments out of the 40 completed).

- **BREEAM** (Building Research Establishment Environmental Assessment Methodology) has been the world's leading and most technically advanced method for assessing and certifying **construction sustainability** since its creation in 1990.

38%
Developments completed with AA certification

40%
Developments designed with AA certification

48%
Developments completed with A or B certification

- **AEDAS Homes has had its quality and environmental management systems certified under ISO 9001 and ISO 14001, respectively, since 2017**; those certifications cover its housing development activities (design management, building management and sales management). The Company renewed those certificates in 2020; the corresponding audits did not detect any system shortcomings. 2020-21 was additionally marked by the following initiatives: review of policies, processes and procedures and **expansion of ISO 9001 and ISO 14001 certification** to the work centres in Palma, Granada, Valencia and Zaragoza.





To integrate its environmental targets into the properties it develops, AEDAS Homes uses a variety of white books and manuals, which it updates continually to reflect emerging customer needs:

- **10-Point Environmental Sustainability Declaration (2020-21)**, to show by example - measures that are already being implemented in the Company's developments - how homes can be 100% environmentally-friendly.

- The **Green Book (2019)**, a crucial guide for the Company, sets down the minimum sustainability rules that AEDAS Homes follows at all its developments, while giving development managers the choice of taking additional measures. It is an open document, as the concept of sustainability is evolving all the time; it is flexible, as it lends itself to tailoring for regional customer preferences; and it is user-friendly.
  The Green Book evidences AEDAS Homes' respect for the environment and the planet's natural resources. Indeed, it is not merely a tool for implementing specific measures; it is also a forum 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 using 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 are: identification of the sustainability measures to be implemented in a given development; installation of the Ecoliving Corner at the point of sale; drafting of the Ecoliving Guide; assessment of the life cycle of the development; and the provision of the training to the development sales team.

- **Proprietary Ecoliving® sustainability seal (2020)**, with which the Company seeks 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 evidence compliance with the standards itemised in the Green Book and with minimum standards of sustainability in the following areas: energy; water; materials, waste; health and wellbeing; landscape integration; community, good practices; and economy.

AEDAS Homes'
10 Healthy Homes Principles

aedashomes.com



01

Functional, flexible spaces Efficient and flexible designs so that homes can evolve in line with their occupants' emerging needs.



02

Air quality. We make continually ventilated homes to maximise indoor air quality by implementing dual cross-flow ventilation.



03

Water quality. We encourage the use of purification systems to increase the quality of drinking water and water pipes made from non-contaminating materials



04

Temperature comfort. We create humidity, temperature and air movement conditions that are pleasant and apt for the activities undertaken at home.



05

Noise comfort. We establish sound limits to reduce the intrusion of noise from outside and within the building, paying attention to building systems and their acoustic insulation.



06

Light comfort. We foster window designs that make the most of natural light, minimise glare and hot spots, all of which complemented by innovative artificial lighting solutions.



07

Biophilia. We use natural materials inside our homes and we connect them with the outside world via ecological gardens, patios, porches and terraces, all of which designed to boost personal wellbeing.



08

Accessibility. We defend 'Design for All', and take measures to improve everyone's quality of living by designing around our customers' diversity.



09

Safety. Our homes are fitted with anti-intruder devices, smoke and fire alarms, CO_2 probes, safe lighting and gas installations and preventative maintenance measures.



10

Common areas. IWe encourage sports and social interaction as a means to physical and psychological wellbeing by providing common areas such as health clubs, pools, social clubs and pedestrian walkways.

The AEDAS Homes seal requires the installation of advanced renewable energy efficiency and production systems such as aerothermal heating; dedicated battery, oil and used clothing recycling points; ecolabel coverings that improve interior air quality; and electric vehicle charging facilities. AEDAS Homes reports on the benefits of the Ecoliving® seal in its so-called Sustainability Specifications Document, which emulates the trade's Building Specifications Document; the former itemises a development's specific sustainability measures and current and future customer advantages and cost savings.

- The **White Book of Industrialisation (2019)**, with which AEDAS Homes helps readers that are not property development experts understand the industrialisation of housing development, a building system that is still very nascent in Spain, in a detailed yet user-friendly and didactic manner. That sector-pioneering publication marks another milestone in the Company's efforts to help create traction for this construction system ever since in 2018 it became the first developer to back a large-scale offsite development.
  The White Book contains a series of conclusions about industrialisation in the property development context, a ground-breaking movement destined to gain traction. It highlights how industrialised construction can improve quality, delivery times, sustainability, professionalism, responsibility and equality. The publication is the foundation stone on which the entire sector can help to create a new industrialised method of residential development that has 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.

» The **White Book of Architecture**: this book sets down the common rules for new AEDAS Homes developments. The general objectives this publication aims to attain are:

- Analysis and fine-tuning of the finished product.
- Systematisation of technical aspects, shortening execution times.
- Minimisation of errors, reducing the related costs.
- Generation of brand attributes associated with quality.
- Definition of energy and sustainability certification standards.

The White Book of Architecture is designed to provide a reference manual for general use in all of the Company's developments, albeit flexible enough to accommodate each development's specific sales or regulatory considerations.



Amaire Villas I (Sant Joan d'Alacant)

B. Social dimension initiatives

Below is a list of the most important initiatives pursued by AEDAS Homes along the **social dimension** in 2020-21:

» **Vis-a-vis its employees:**

- Creation of a '**Talent attraction and management programme**', thanks to which the Company reduced its employee turnover ratio to 9% in FY 2020-21.



9%

Turnover ratio reduction in FY 2020-21

- Elsewhere, the Company ran a high-performer training programme dubbed '**Managers in Training**'. That programme, which enters its fourth edition in 2021, provides new graduates with a well-rounded **3-year development plan** that provides them with the knowledge needed to pursue careers as Development Managers. The goal is to select the top civil engineering, architecture, industrial engineering, economics and law graduates from the best universities with one to two years' experience in positions related with construction management in order to provide them with the end-to-end training they need to become AEDAS Homes Development Managers.

- AEDAS Homes is committed to **developing and promoting young talent** and shoring up their job prospects. Young professionals are very important ambassadors for the Company: they provide an opportunity to spread its reputation and position itself as a different developer where you can build a career. To that the Company runs a number of initiatives in collaboration with leading universities and business schools. For example, it participated with UMP in Madrid on a work practice programme for university's real estate degree programme, in that way fostering youth and quality employment. For the second year in row, the Company took on one of the degree course students for a 6-month internship, giving her the opportunity to get to know the various departments comprising the Company. Note that two of the students who completed the previous internships have since been hired by AEDAS Homes.
  The Company plans to step up its commitment to the next generations in 2021-2023 under the umbrella of its ESG Plan.

- AEDAS Homes has already implemented a range of **flexible remuneration schemes and company benefits** for its employees. Work-life balance is another important aspect of the Company's human resource management effort, to which end it has 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.

- **The Company has also developed an 'Equality Plan'** with the ambition of rolling out measures that further foster equal opportunities and boost diversity at the firm.
  The talent management programmes include an employee monitoring effort that involves regular meetings.

- AEDAS Homes places great importance on the health of its employees. It therefore encourages **healthy lifestyle values and habits**, an effort that takes the form of a number of specific programmes and initiatives. For example, the firm organises a Health Week event every year during which it runs a number of workshops on ergonomics, nutrition and exercise. By upholding that commitment AEDAS Homes also ensures compliance with its requirements under the ISO 45001 occupational health and safety standard.



Herrera (Bormujos)

- AEDAS Homes believes in the differentiating value of data as a source of in-depth business intelligence. That is behind the Company's decision to shore up its **data area by hiring a director of data and digital transformation** to spearhead the integration of artificial intelligence into its ERPs. That effort has translated into the performance of five innovative projects created in-house:
    - Data Warehouse
    - Live Mini Tours for PoS salespeople
    - Automated videos that rely on AI
    - Living House Tours
    - Online customer events when major construction milestones are met

» **Respect for society** as a whole:

- Signature of the **United Nations Global Compact (since 2019)** formalises AEDAS Homes' support for the Compact's 10 key human rights, labour rights, environmental protection and anti-corruption commitments. The Company thereby undertakes to respect and enforce those principles and to contribute to delivery of the Sustainable Development Goals (SDGs). Those principles have been embedded into AEDAS Homes' strategy, culture and everyday activities. The Company also gets involved in corporate projects that help contribute to delivery of those objectives.

- AEDAS Homes encourages philanthropy on the part of its employees, framed by its corporate principles and values, thereby further contributing to their rounded development. More specifically it organises an **Annual Volunteering Plan, which is aligned with its Community Work Plan, under which a range of activities are carried out.**

- **Collaboration with NGOs, donations and sponsorships.** Among other initiatives in 2020, AEDAS Homes collaborated with the makeshift pandemic hospital

put together at the IFEMA Conference Centre to help manage the health crisis caused by COVID-19; the Capacis Foundation; the Prodis Foundation; the AECC Charity Run to raise funds for cancer research; the Business Charity Day (specifically the 'I Have a Message for You' event); it made donations to Payasospital; participated in Charity Webinars with the Madrid Down's Syndrome Association; and sponsored charity events such as the Rainbow Run.

AEDAS Homes promotes, by means of a very intensive **sponsorship strategy**, health-related activities in the communities on which it has an impact and encourages young people to live healthily. The Central regional unit engaged actively in 2020-21 with DogPoint, the Majadahonda International Tennis Club, Pozuelo Swimming Club, Pozuelo Basketball Club, Pozuelo Rugby Club, Pozuelo Hockey Club, Valladolid Rugby Club and the Madrid Boadilla International Club. The Eastern/Balearics unit collaborated with the Mallorca Royal Sports Club; the Costa del Sol unit reached out to the Malaga Unicaja Basketball Club and the Marbella Rugby School and sponsored the Rainbow Run; the Andalusian unit sponsors Seville Football Club the Real Betis basketball team and the CB Granada Foundation; Lastly, the Catalonia/Aragon unit supports Ocata Padel Masnou and the Vilanova Sailing Club.

AEDAS Homes' sponsorships by unit



- **White Book on Accessibility.** This is a Manual of safety, comfort and accessibility parameters put together with AEDAS Homes.
- **Select and Benefits programmes:**
    - The Select service lets customers personalise multiple aspects of their new homes and make them more comfortable by adding technological devices or enhancing their lighting features.
    - **Benefits** is another AEDAS Homes customer programme that offers voice-activated control solutions (temperature control, entertainment and cleaning), among other services.

In an attempt to help mitigate the adverse economic consequences the pandemic may have been having on some of its customers, AEDAS Homes offered those so wishing the possibility of deferring their monthly instalments in April and May. Eighteen per cent of the total took the Company up on that offer.

C. Governance dimension initiatives

As for **AEDAS Homes' key initiatives along the governance dimension** in 2020:

- In 2020-21 AEDAS Homes began to **integrate sustainability considerations into the Company's various communication plans.** That effort is enabling the Company to reinforce its positioning on ESG matters vis-a-vis its various stakeholders, underpinned by targeted communication initiatives. Work began on its ESG Plan commitment in 2020-21.
- Communication with shareholders and other stakeholders, 2020-2021 totalled 123 events in relation to the three dimensions addressed in this section:



58
Environmental



35
Social



30
Governance

The key matters addressed last year by dimension included:

- Environmental: sustainability initiatives and characteristics of some of the developments (dual-flow ventilation, etc.)
- Social: helping young people get on the housing ladder
- Governance: appointment of directors, Company earnings, agreements with third parties (BTR), speeches and interviews with the CEO and other executives and, in general, the main developments affecting the Company

All of which was communicated mainly by press releases, participation in conferences and written responses to media enquiries.

» **Risk management** (a detailed account of which is provided in chapter 2 of this report), which includes training on AML matters, the Code of Conduct and other employee-related activities.

» AEDAS Homes publishes the universe of **corporate policies** that define how it conducts its everyday activities, along with the key governing principles. Those policies are:

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

All the policies are part of the Entity's Good Governance Code, which has been detailed in the IAGC and the IARC, both forming parts of the Management Report and which can be consulted at www.aedashomes.com

In 2020, AEDAS Homes drew up a piece of **in-house analysis** on the **'Profile of the AEDAS Homes new home buyer in 2020'**, which revealed, on the basis of a sample of the more than 2,300 new buyers of an AEDAS Homes product in 2020, some interesting facts:

- The developer's average sales price between January and December 2020 was €338,000, which is exactly the same as in 2019.
- The snapshot of the Company's new customers in 2020: an average age of 43.4 (almost 75% aged 35 or more); they mainly buy as part of a couple (81.8%); and nine out of 10 are Spaniards, thanks to the Company's growing national footprint, with Madrid-based customers the most important single category, accounting for 37% of total national demand.



338.000€

Average sales price



43,4

Client's average age

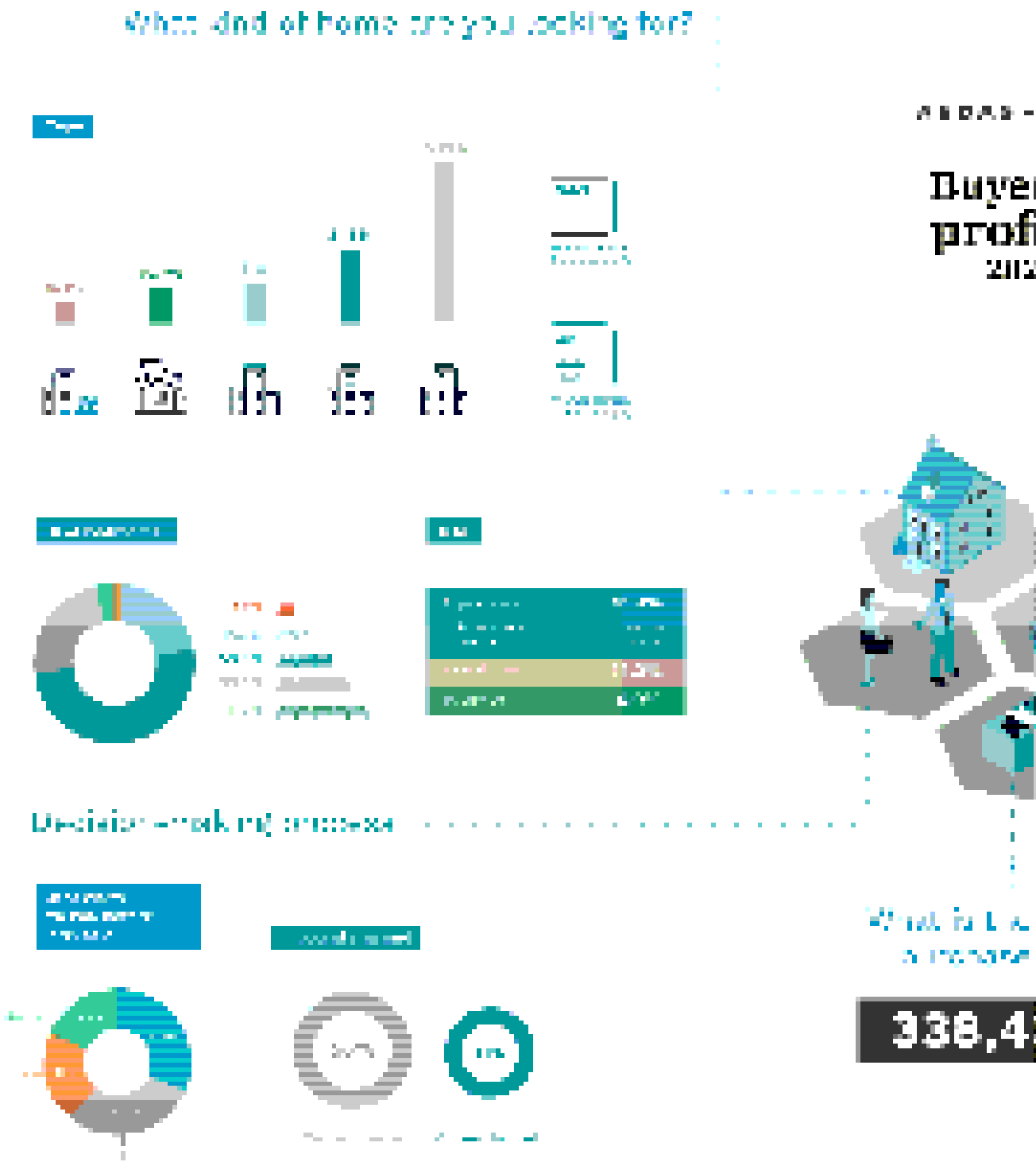


9/10

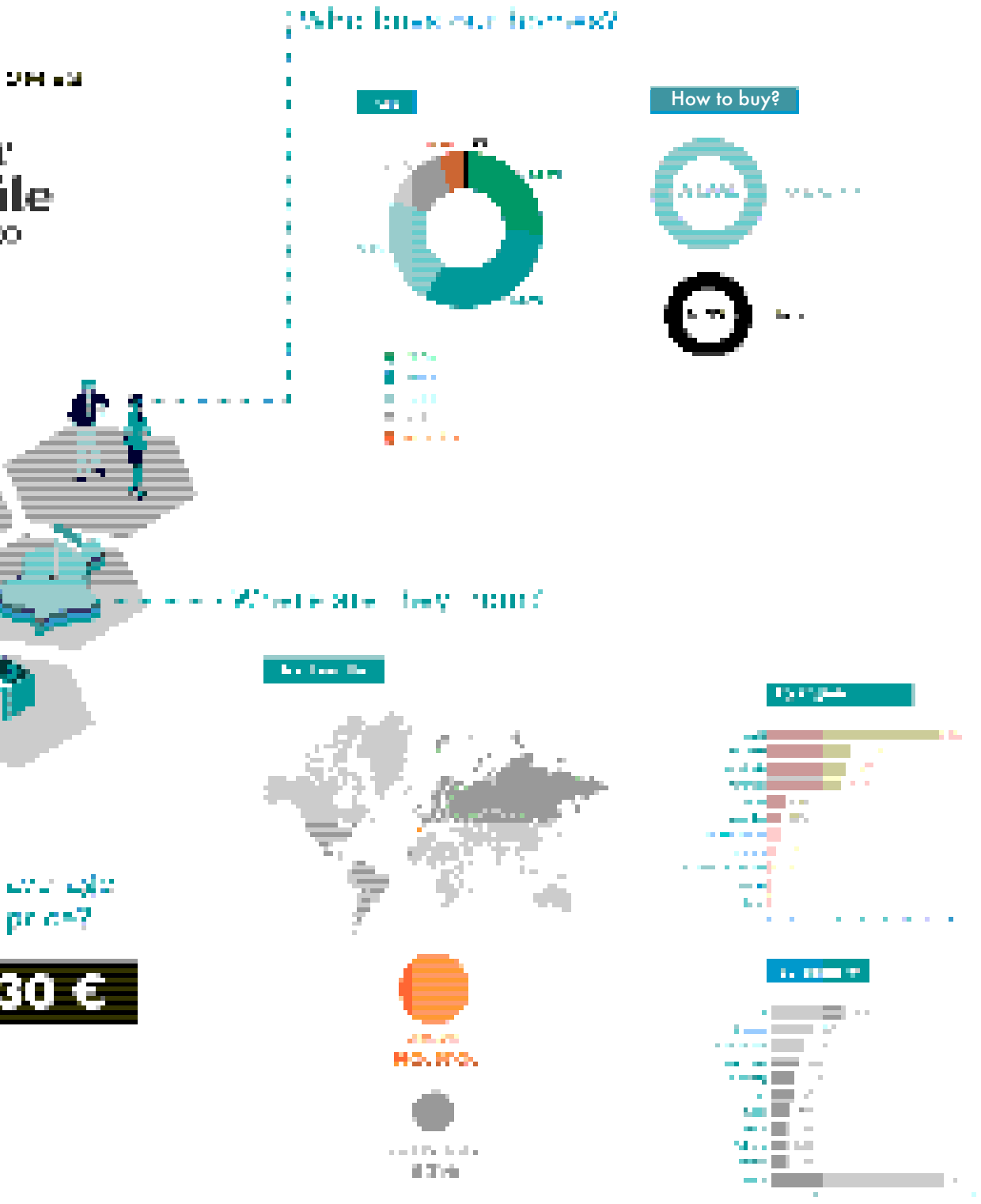
Spaniards



Marina Real (Denia)



Profile of AEDAS Homes' new home buyers in 2020. Source: AEDAS Homes


How to buy?

4.3 Strategic thinking: cornerstones of the new ESG Plan

The construction sector is currently responsible for 36% of global energy consumption and 39% of worldwide CO2 emissions, according to the World Green Building Council. For that reason, AEDAS Homes believes that the development sector must reduce its consumption of natural resources and pare its environmental footprint back to zero.

Due to its growing importance in the Spanish development sector, AEDAS Homes has had to reckon with its duty to stakeholders, this marking a milestone in its successful financial track record.

In an effort to transcend its purely financial performance, AEDAS Homes is looking to give shape to, measure and fine-tune the corporate commitment it was already pursuing before setting it down formally in this ESG Plan. The resulting roadmap, which involves taking up the more challenging goal of having an increasingly positive effect in its areas of influence, injects visibility into all of the initiatives already underway at the organisation, while generating certain new stakeholder engagement proposals for implementation in the near future.

The 2021-2023 ESG Plan put together by AEDAS Homes takes the initiatives related with the environmental, social and governance dimensions that the Company was already carrying out and turns them into a more ambitious logbook by aligning them with the United Nations Sustainable Development Goals for 2030.

AEDAS Homes' unique corporate vision is crystallised in the new ESG Plan, which is articulated around eight lines of initiative associated with the environmental, social and governance dimensions. Those lines of initiative in turn translate into 27 specific actions that will enable it to deliver its three clearcut commitments for 2030.

"AEDAS Homes' unique corporate vision is crystallised in the new ESG Plan, which is articulated around eight lines of initiative associated with the environmental, social and governance dimensions"



Carreres 10 (Valencia)

4.4 2021-2023 ESG Plan

AEDAS Homes' 2021-2023 ESG Plan lends continuity to the numerous initiatives the Company has been championing since its creation. It is designed to provide the formal framework for those efforts. The ESG Plan establishes a series of strategic priorities along the environmental, social and governance dimensions that will enable the Company to respond, by leveraging best practices, to the multiple challenges that need to be embraced by AEDAS Homes and the sector in general in the years to come.

4.4.1 The governance model enshrined in the 2021-2023 ESG Plan

It is important to note that the ESG Plan is being spearheaded, supervised and implemented by AEDAS Homes' Management Committee. To ensure correct implementation and oversight of the Plan, an ESG Committee has been set up; it is made up of the Company's CEO, CFO, Director of Brand and Innovation and Director of Corporate Resources, who in turn is taking on the role of ESG Coordinator.

The ESG Committee will be tasked with reviewing the ESG Plan dashboard. It is also in charge of compiling and analysing a weekly report on milestones and indicators associated with the ESG Plan and for driving and supporting the emanating initiatives, led by the ESG Coordinator.

4.4.2 The 2021-2023 ESG Plan at a glance

The idea underpinning the ESG Plan is to bring together a series of aspects of great importance to AEDAS Homes. Those are:

- Making the Company's stakeholders more keenly aware of AEDAS Homes' commitment to sustainability
- Assuming the Company's commitments along ESG dimensions, transcending mere financial metrics
- Defining the Company's strategic priorities in the ESG arena: the lines of initiative
- Setting clear targets and translating them into specific actions to be executed in the long, medium and short term
- Establishing an ESG governance model and setting KPIs for the various initiatives

As already noted above, AEDAS Homes' ESG Plan is articulated around the core environmental, social and governance dimensions and is in turn made up of eight lines of initiative and 27 specific action items, as outlined below:



Governance dimension



2 lines of initiative;
8 action items

Lines of initiative ESG governance and value generation

Action items

1. 1. Defining and approving an ESG policy, including the governance model and stakeholder map.
2. Establishing a specific ESG performance metric for inclusion in the 3-year incentive plan for senior management and key employees.
3. Updating the risk map to integrate ESG risks.
4. Certifying the compliance system under UNE 19601

Lines of initiative Transparency and brand

Action items

1. Preparing an Integrated Annual Report that includes an account of the Company's performance along ESG dimensions from FY 2020-21.
2. Securing and maintaining an ESG rating for the Company that positions it among the top three Spanish developers.
3. Formulating and implementing an internal ESG reporting system.
4. Incorporating the ESG targets and milestones into the Company's various communication plans (external and internal).

Environmental dimension



3 lines of initiative,
7 action items

Lines of initiative Climate change

Action items

1. Defining a climate change policy that sets specific targets (LCAs completed at 100% of developments).

Lines of initiative Healthy and sustainable property developments

Action items

2. Including a section devoted to housing sustainability, efficiency and health matters in the Building Specifications Book.

3. Obtaining an 'A' energy rating for at least 60% of the Company's developments.

4. Following Green Book rules (or those of an equivalent prestigious green building seal) at 100% of the Company's developments.

5. Incorporating waste recycling points and sustainable draining systems at all developments where it is technically and legally feasible.

6. Planting a tree for every home delivered every year The planting of 1,963 trees is currently being organised.

Lines of initiative Ecoefficient operations

Action items

1. 25% of the units delivered by AEDAS Homes should be fully or partially industrialised.

Social dimension



3 lines of initiative,
12 action items

Lines of initiative Stakeholder engagement excellence and innovation

Action items

2. Adding questions about sustainability perceptions to customer satisfaction surveys (Target: generating responses that evidence that 50% of all customers view AEDAS Homes as a sustainable developer).

3. Fostering and establishing strategic alliances to explore innovation at AEDAS Homes developments.

4. Developing a culture of innovation among employees: innovation competitions with a target participation rate of 20%; and creation of an Innovation Newsletter to be distributed quarterly.

Lines of initiative Commitment to human capital

Action items

1. Developing an ESG training plan for all employees and board members.
2. Positioning AEDAS as a Great Place To Work in the real estate sector.
3. Facilitating the development and job prospects of young talent (already implemented in 2020).
4. Updating the annual variable remuneration scheme applicable to all employees to add an ESG target.
5. Approving a remote working policy (remote working has been a reality at the Company for over two years already).
6. Developing a physical and mental wellbeing programme for employees (already implemented in 2020.

Lines of initiative Social footprint and impact

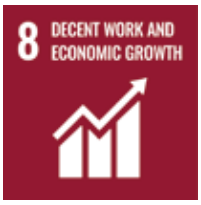
Action items

1. Designing an annual Community Work Plan to support groups or communities in need.
2. Developing an annual Corporate Volunteering Programme to promote a culture of philanthropy on the part of employees (2 initiatives per year) (already implemented in 2020).
3. Developing a programme for the promotion of and support for local artists in our business communities.



Sponsorship - CB Granada Foundation

AEDAS Homes' ESG Plan helps deliver the following Sustainable Development Goals (SDGs): Objetivos de Desarrollo Sostenible (ODS):



Decent work and economic growth



Healthy lives and well-being



Climate action



Reduced inequalities



Sustainable cities and communities



Partnerships for the goals



Responsible consumption and production

4.4.3 Non-financial KPIs: measuring the impact of the ESG commitment

Performance indicators are a key aspect which any ESG plan must contemplate if it is to measure the progress made and ensure the integration of the lessons learned along the way. As with the lines of initiative and specific action items, the key performance indicators (KPIs) are similarly structured around the three core dimensions of the 2021-2023 ESG Plan.

4.4.4 Long-term targets: 2030

AEDAS Homes has assumed three ambitious commitments for 2030, one for each ESG dimension, which it believes it can deliver by executing the various action plans contemplated in the 2021-2023 ESG Plan:

- **Governance dimension:** 75% of the Company's stakeholders should view AEDAS Homes as a benchmark developer in the ESG arena.
- **Environmental dimension:** Neutralisation of 50% of greenhouse gas emissions.
- **Social dimension:** A noteworthy position on the Great Place to Work ranking of real estate players in Spain.


Etheria (Madrid)

05. Financial information

5.1 Business performance

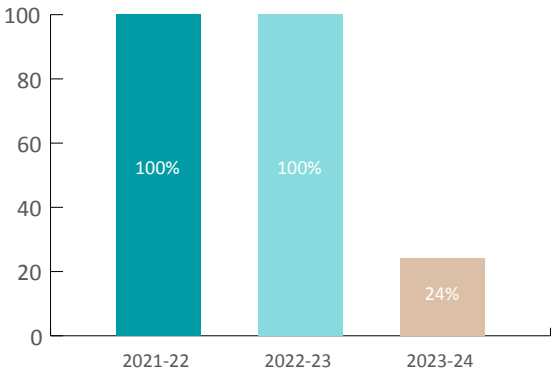
The number of developments on the market, coupled with the Order Book, lends strong visibility into the Company's ability to meet its **deliveries guidance for FY 2021-22, FY 2022-23 and FY 2023-24.** In FY 2020-21, AEDAS Homes topped its guidance for the delivery of 1,925 units, handing over the keys to 1,963 homes.

For FY 2021-22, AEDAS Homes has already sold 72% of the delivery target; construction is already complete on 30% of those units and is very advanced on the remaining 70% (all of which are at a 70% completion level or above). As for the deliveries slated for FY 2022- 23, the Company has 75% under construction and 3% already complete. 40% of the FY 2022-23 target has already been sold: 23% are under a private sales contract (€202m) and 16% are reserved (€169m). Lastly, with respect to FY 2023-24, 14% of the scheduled deliveries are under construction and 13% have been sold.

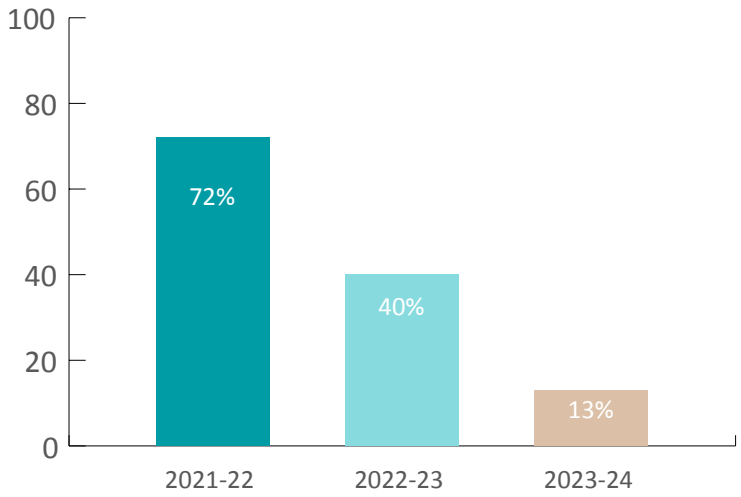
Total net sales during the year amounted to 2,480 units, putting the **total sold since the start of operations at 6,638 homes.**

Based on that sales volume, and deducting the units delivered by 31 March 2021, the **Order Book at the reporting date stood at 3,428 homes worth €990m, implying very healthy visibility into revenue for the coming years.**

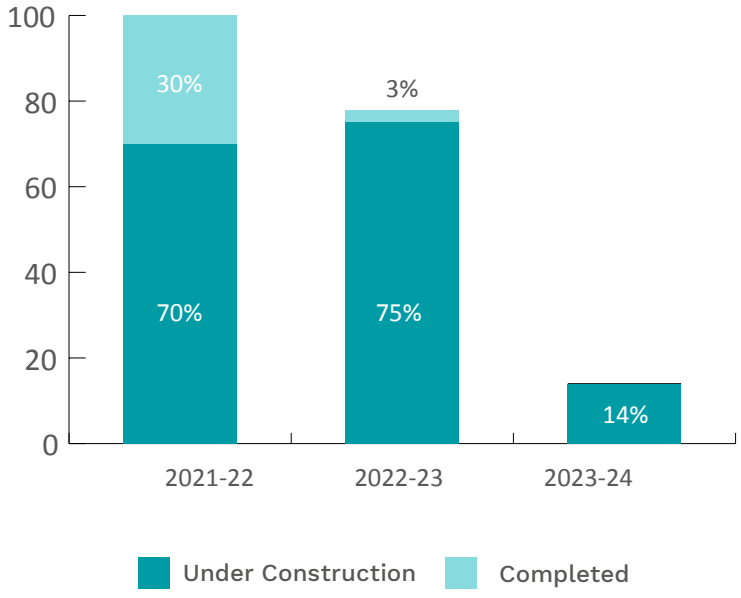
Launches



Sales



Construction



Homes under development

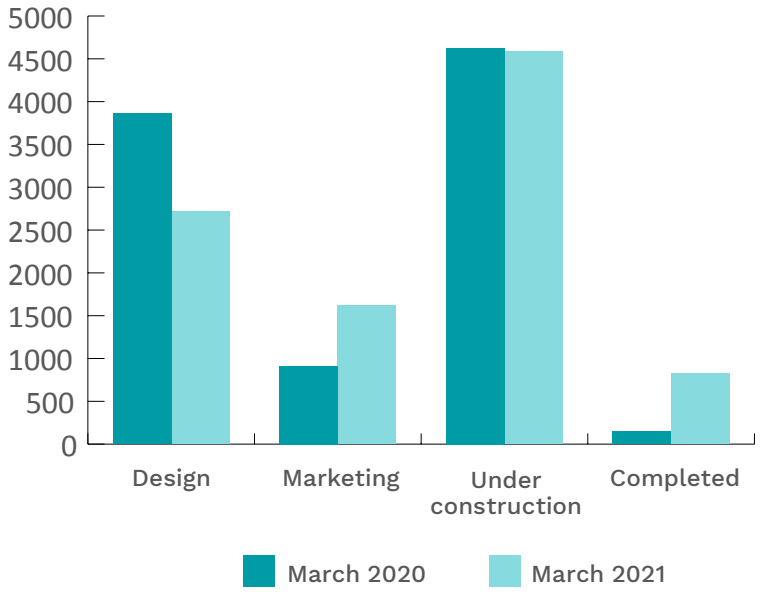
Homes are considered under development, or active, from the moment they enter the design phase until delivery.

At 31 March 2021, of the 15,484 units comprising its land bank, **the Company had a total of 9,746 active units,** implying year-on-year growth of 2%.

The breakdown of that pipeline of 9,746 active units by development phase is as follows: 28% in the design stage; 17% in the marketing phase; 47% under construction; 2% completed and pending occupancy permits; and 6% completed with occupancy permits. Note that 51% of the homes currently on the market have already been sold.

The reduction in the number of units at the design phase is attributable to the conservative decision-making approach adopted at the start of the fiscal year due to the uncertainty brought about by the pandemic.

Active units classification



Launches

Units are considered launched once marketing has kicked off, i.e., they are classified as 'launched' after the design phase and they are put on the market.

In FY 2020-21, the Company launched 46 developments encompassing a total of 3,031 units, a figure it deems to be its long-term run rate. Deducting the units delivered to date, the Company has a total of 6,693 homes on the market. That marks growth of 31% in number of projects and of 30% in units launched with respect to the prior year's figures. That performance came about despite holding back on new launches as a result of the lockdown measures taken to halt transmission of Covid-19, which triggered the temporary closure of the Company's sales offices from mid-March until 6 May 2020.

In the wake of those postponements, launching activity recovered steadily throughout the remainder of the year, with momentum gathering pace. Current forecasts indicate 1,155 units will be launched in the first quarter of FY 2021-22.

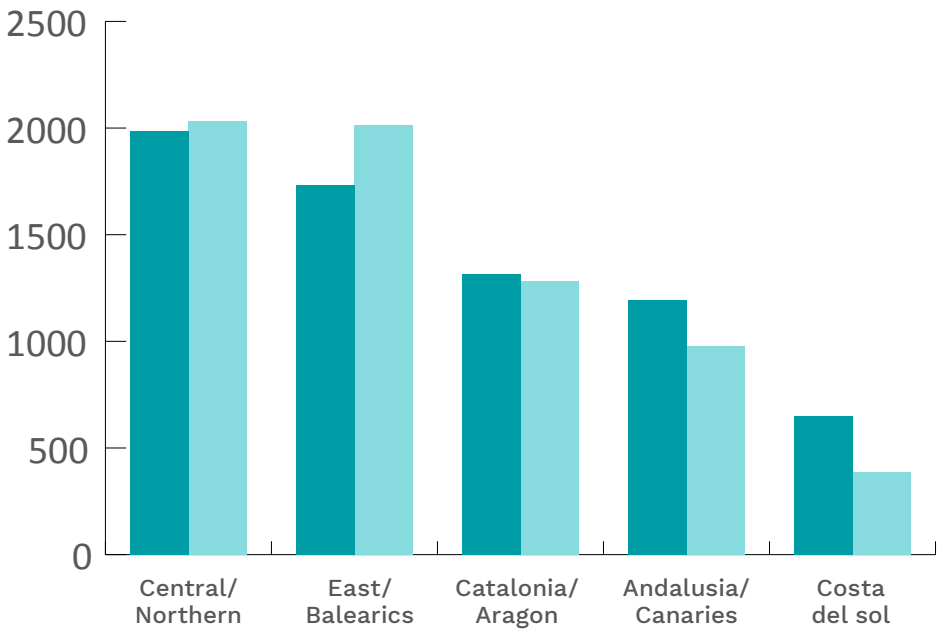
The GDV of the 3,031 units launched in FY 2020-21 is €824m, implying an average sales price per unit of €272,000.

As for the breakdown of those 3,031 launches by region, 1,178 units (39% of the total) were launched in the Centre/ North region; 525 units (17%) were launched in Catalonia/Aragon; 958 units (32%) were launched in the East/Balearics region; 346 units (11%) were launched in Andalusia/ Canaries; and 24 units (1%) were launched on the Costa del Sol.

At 31 March 2021, the number of units on the market (a figure that excludes the units already delivered) totalled 6,693, 51% of which have been sold.

As for the trend in other key business metrics, the number of leads sustained considerable growth (+174%), with conversion of those leads into in-person visits registering even stronger momentum (+249%), topping the levels recorded by the Company pre-COVID. In the current scenario, it is worth highlighting the significant benefits afforded by the Live Virtual Tours platform, which has facilitated the growth in the number of leads and visits and contributed to the delivery of very positive conversion ratios. At the lead conversion rate being observed in recent months, the Company feels it has hit its annual sales run rate of around 3,000 units.

Geographic breakdown of houses on the market





Middel Views (Fuengirola)

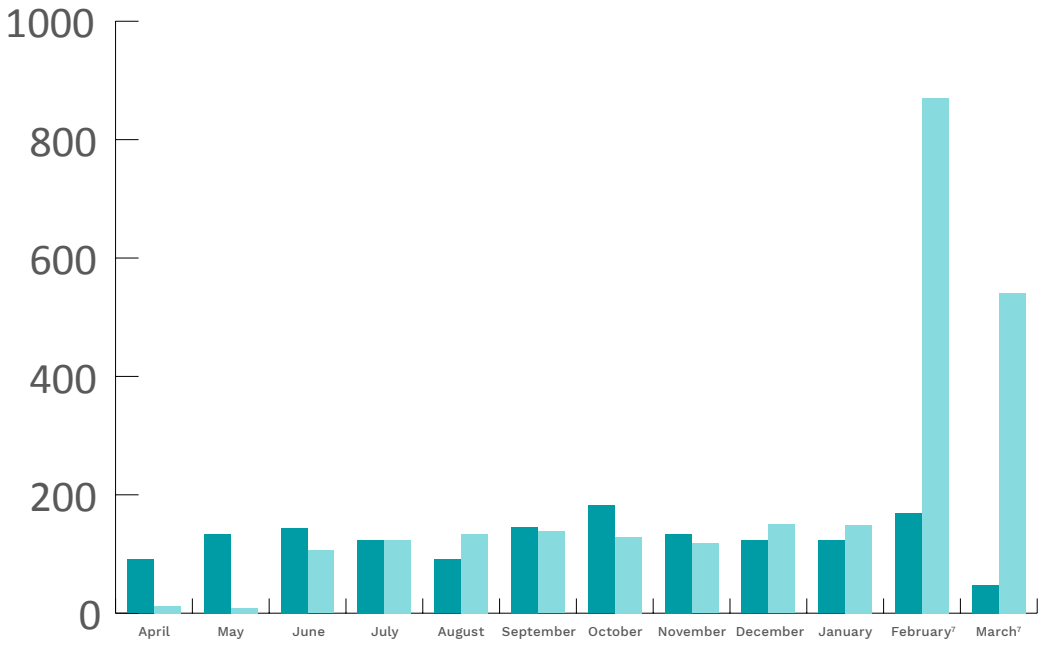
Sales

The sale of a unit begins with execution of a reservation, or presale agreement. Once the Company has a building permit for a pre-sold house, the buyer is asked to execute a private sales contract and provide a down payment of 10% of the total price; buyers continue to pay instalments of 10% at regular intervals until the construction works are complete. Lastly, when the building is finished complete and the first occupancy permit has been obtained, the customer is asked to sign the deed of purchase, upon which keys to the house are handed over immediately.

Over the course of FY 2020-21, the Company sold 2,480 homes in total, year-on-year growth of 46% (vs. April 2019 - March 2020), when pre-sales amounted to 1,703 units. The value of the units sold in FY 2020-21 is €692.6m, implying an average sales price of €279,000 per unit. That average price was below the level the Company tends to report due to the significant contribution to sales of Build to Rent units, for which the average price is well below that obtained in the Company's core retail business, due to the specifications of the developments earmarked for the rental market (higher number of units and lower average size; smaller floor area devoted to shared facilities and amenities, etc.).

The monthly sales breakdown shows that the Company posted record sales volumes in February and March and highlights the remarkable momentum built up during the reporting period. The significant growth experienced in recent months is attributable to sales in the Build to Rent segment, although the retail segment has also sustained exceptional growth. Note that on account of the lockdown, no significant numbers of new units were put on the market until October, which is when sales began to recover with intensity.

Monthly sales breakdown



[7]In February and March sales in the build-to-rent segment amounted to 655 and 288, respectively.

In FY 2020-21, the Company delivered a total of 1,963 homes worth €667.5m, implying an average sales price of €340,000/unit.

As of 31 March 2021, the Company had sold an accumulated 6,638 units (in FY 2017, FY 2018, FY 2019, FY2020 {1 January to 31 March} and FY 2020-21), representing sales revenue of €2.09bn. Of that total, 3,210 units worth €1.1bn, had been delivered to their buyers. As a result, **the Order Book at 31 March 2021 amounted to 3,428 units worth €989.6m, 63% of which are already under a private sales contract.**

"The Order Book at the end of the period FY 2020-21 amounted to 3,428 units worth €989.6m"



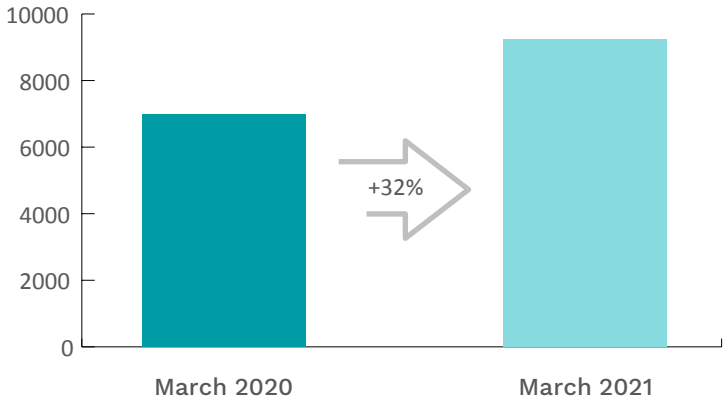
Marina Real (Denia)

Building permits

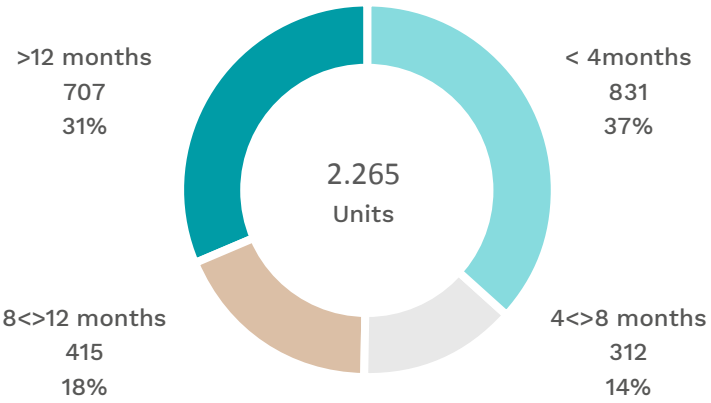
Building permits are awarded by the municipal authorities. Permit applications include the architectural plans which must necessarily comply with municipal planning and zoning requirements. Municipal authorities are obliged to grant building permits to the extent the plans meet those requirements. The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

In FY 2020-21, the Company obtained a total of 2,265 building permits, down 16% from the 2,697 obtained the comparable previous year. That means that the Company has so far obtained building permits for 9,249 homes in total, with a further 2,579 in process. Generally speaking, the authorities have continued to work at a reasonable pace in light of the circumstances, although approval lag times have lengthened in some municipalities.

Evolution of building permits granted



Permits request maturity

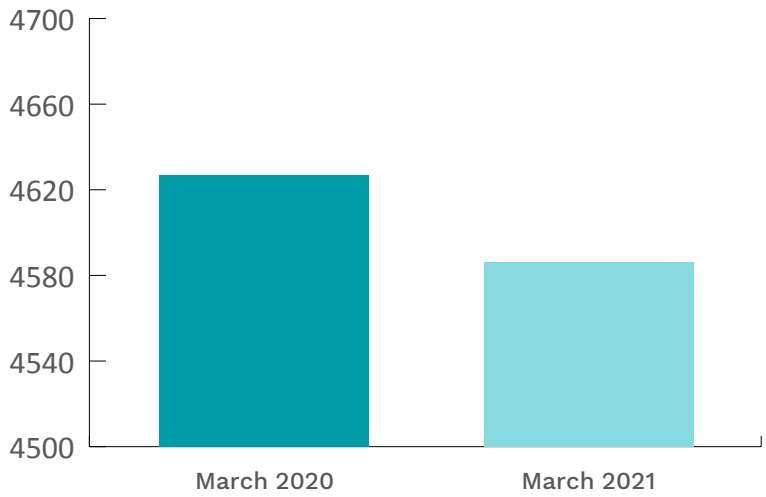


Construction

The Company began to build 2,599 homes in FY 2020-21 and obtained work completion certificates for 2,640 homes. The fact that new starts lagged work completion certifications a little reflects the capital preservation policy put in place by the Company in response to the pandemic, specifically the decision not to start any works without external financing having been put in place, as a result of which the launch of construction work at some developments was delayed. However, following the improvement observed during the second half of the year, the Company stepped up the launch process and the start of new works and has since reiterated all of its Business Plan targets and medium and long-term guidance. **At 31 March 2021, the Company had a total of 4,586 units under construction**, down 1% from the 4,627 homes that were under construction 12 months earlier.

As for the deliveries guidance for FY 2021-22, framed by the above-mentioned principle of prudence, the start of construction work at certain developments was delayed until this year; at present 70% of target deliveries are under construction and more than 70% complete and 30% are already finished. In terms of the guidance for FY 2022-23, 75% of the targeted houses are under construction (and at least 38% complete) and 3% are complete.

Units under construction end of period



Investments

AEDAS Homes remains one of the most active purchasers of land in Spain. The investments made in FY 2020-21 are designed to enable the Company to meet the targets set in its 2017-2023 Business Plan with respect to new development launches. Following an initial pause in investments during the COVID-induced lockdown, the pace of investing recovered sharply throughout the year.

Specifically, in FY 2020-21, the Company acquired sites for 24 new housing developments. That land presents scope for the development of 1,945 housing units.

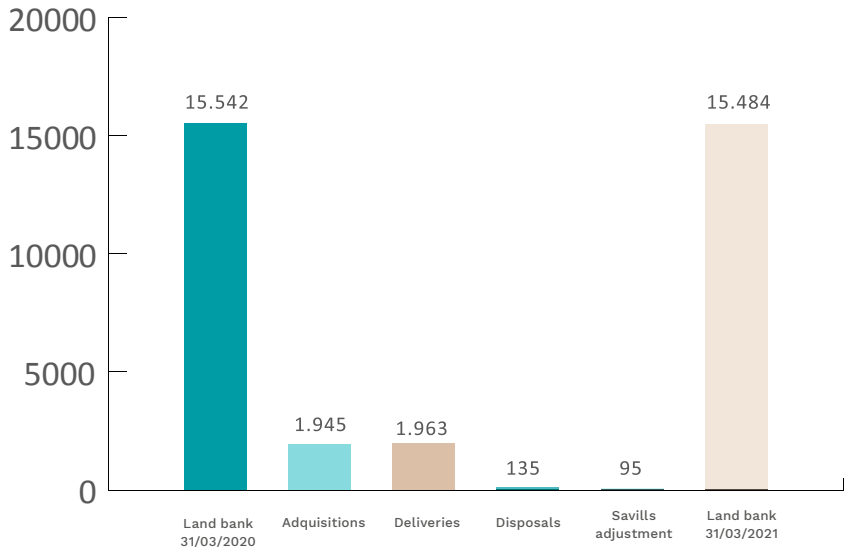
FY 2020-21 investments amounted to €132.3m, which includes the cost of acquiring the properties, including the inherent transaction costs, and the capital expenditure needed to bring all of the sites to RTB status. In sum, the average acquisition cost per housing unit once all of the land is brought to RTB permitting status is estimated at €68,020/unit.

In addition, under the scope of the Project Land agreement, the Company acquired land in Madrid for the development of 52 homes for €2.4m, i.e., an average acquisition cost of €46,000/unit. The acquisition of sites under the Project Land agreement takes the form of minority equity investments (of between 10% and 25%) in holding companies whose core assets are sites that require varying degrees of zoning until they are ready for development.

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

The Company's GAV stood at €1.91bn at 31 March 2021, down 11% from the last appraisal, dated September 2020. The Group's property portfolio was appraised by Savills Aguirre Newman Valoraciones y Tasaciones, S.A.

Trend in land bank



5.2 Statement of profit or loss

The FY 2020-21 statement of profit or loss clearly evidences the ramp-up phase in which the Company is immersed: revenue increased to €671.9m; €667.6m came from home sales and €4.3m from land sales. The gross margin narrowed by 29 basis points compared to the previous financial year (January - March 2020).

Direct expenses amounted to €28.8m, shaped notably by the postponement of new launches as a result of the lockdown measures taken to halt transmission of COVID-19. It is important to note that this heading recognises the marketing costs associated with all of the developments launched by the year-end close irrespective of whether or not they were actually delivered during the reporting period.

General expenses totalled €29.4m, shaped by the recognition of the third cycle of the LTIP and consultancy services.

Other income (net) increased to €2.5m, due mainly to income recognised upon the termination of private sale agreements and the reimbursement of costs related with build-to-rent projects. The EBITDA margin widened a considerable 870 basis points by comparison with FY 2020.

The net finance cost increased by 223% to €14.2m, reflecting the cost of AEDAS Homes' corporate financing and the financial cost of finished developments.

As a result of the impact of the health crisis, the Company recognised inventory impairment losses of €2.8m.

In all, the Company reported a net profit of €85.1m in FY 2020-21.

"The EBITDA margin widened a considerable 870 basis points by comparison with FY 2020"

Statement of profit or loss:

			Change	
	FY 2020-21	**Jan-Mar 2020[8] 20204**	**€**	**%**
Revenue - property development	667.6	667.6	597.6	854%
Revenue - land	4.3		4.3	-
Revenue	**671.9**	**70.0**	**601.9**	**860%**
Cost of goods sold	(482.9)	(50.1)	(432.8)	864%
Gross profit	**188.9**	**597.6**	**169**	**849%**
Gross margin, %	**28.1%**	**28.4%**	**-**	**(29bp)**
Sales and marketing costs	(20.4)	854%	(15.9)	353%
Other operating expenses	(8.4)	(0.9)	(7.5)	833%
Net Margin	**160.2**	**14.5**	**145.7**	**1,005%**
Net Margin, %	**23.8%**	**20.7%**	**-**	**330bp**
Overhead	(29.4)	(6.8)	(22.6)	332%
Other income and expenses	2.5	0.3	2.2	733%
EBITDA	**133.2**	**7.9**	**125.3**	**1,586%**
EBITDA margin, %	**19.8%**	**11.3%**	**-**	**870bp**
Depreciation and impairment charges	(5.4)	(0.6)	(4.8)	800%
Net finance cost	(14.2)	(4.4)	(9.8)	223%
Profit before tax	**113.5**	**3.0**	**110.5**	**3,683%**
Income tax	(28.5)	0.3	(28.8)	-9,600%
Profit for the period	**85.1**	**3.3**	**81.8**	**2,479%**
Net profit margin, %	**12.7%**	**4.7%**	**-**	**800bp**
Non-controlling interests	(0)	0.2	(0.2)	-100%
Profit attributable to equity holders of the parent	**85.1**	**3.2**	**81.9**	**2,559%**

[8] The three-month financial year ended 31 March 2020

5.3 Balance sheet and cash flow statement

Balance sheet

At 31 March 2021, the health of the Company's capital structure stands out: the LTV ratio stood at 12% while cash and cash equivalents amounted to €186.1m.

It is also worth highlighting the growth of 7% in current assets in FY 2020-21 to €1.65bn, driven mainly by growth in inventories of €50.6m (+4%), reflecting the trend in finished developments since 31 March 2020 (year-end 2020), to €1.4bn.

The growth in inventories, of €50.6m, was financed primarily by the following balance sheet items, among others:

Liabilities that mature in the long term:

€85.9m was financed by non-current borrowings, which increased from €2.5m at year-end 2020 to €88.4m.

€30.1m came from developer loans, the drawdown of which increased to €165m due to construction milestones (€49m corresponds to finished product pending delivery).

Liabilities that mature in the short term:

€111.8m related to the reclassification of borrowings from non-current to current.

€41.9m originated from trade and other accounts payable, which increased from €118.2m at 31 March 2020 to €160.2m at 31 March 2021.

€29.8m originated from customer down payments, which decreased from €161.7m at year-end 2020 to €131.8m, due to the growth in sales and launches.

On the asset side

In terms of the breakdown in inventories: the overall increase is the net result of a decline in land of 6% to €582.4m due to the transfer of sites to construction in progress, reflecting newly started construction work, net of new land purchases; a decrease in construction in progress of 7% to €581.0m shaped by the start of new construction work net of the completion of other projects; an increase in finished product of 166% to €213.7m due to deliveries during the period net of the recognition of newly completed housing units (174 units pending occupancy permits and 636 already with such permits); and a decrease of 11% in advances to suppliers to €17.3m, a heading which recognises the amounts paid for land purchase rights and prepayments made in the course of the execution of certain developments.

The inventories balance does not reflect unrealised gains of €512m implied by the most recent asset appraisal conducted by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. That appraisal implied the recognition of additional impairment losses of €2.8m to put the accumulated balance at €4.4m.

As a result, at 31 March 2021, inventories amounted to €1.4bn, broken down between land (42%); construction in progress (42%); finished product (15%); and advances to suppliers (1%).

The biggest movement was an increase in trade accounts receivable of €6.4m from 31 March 2020 to €46m at 31 March 2021.

It is worth highlighting the Company's liquidity position, which stood at €186.1m at the end of FY 2020-21, of which €123.5m was unrestricted, up 46% from 31 March 2020, providing another good indication of the Company's healthy financial performance.

Equity accounts

At 31 March 2021, the Company carried own shares representing 6.93% of the total at €65m. The directors plan to submit a motion for the cancellation of shares representing 2.42% of the total at the upcoming Annual General Meeting.

On 7 May 2021, the Board of Directors resolved to submit a motion for the payment of a dividend of €1.40 per share from FY 2020/2021 earnings:

- o an ordinary dividend of €0.90 per share; and
- o a special dividend of €0.50 per share.

Balance sheet

			Change	
(€m)	**31 March 2021**	**31 March 2020**	**€**	**%**
Other fixed assets	18.9	15.2	3.7	24.3%
Deferred tax assets	13.8	23.0	(9.2)	-40.0%
Non-current assets	32.8	38.2	(5.4)	-14.1%
Inventories	1,394.5	1,343.9	50.6	3.8%
Trade receivables	46.0	39.6	6.4	16.2%
Other current assets	27.6	27.1	0.5	1.8%
Unrestricted cash	123.5	86.1	37.4	43.4%
Restricted cash	62.6	50.1	12.5	25.0%
Current assets	1,654.2	1,546.8	107.4	6.9%
Total assets	**1,687.0**	**1,585.0**	**102.0**	**6.4%**
Equity	994.3	936	58.3	6.2%
Of which: own shares	(65.1)	(36.9)	(28.2)	76.4%
Non-current borrowings	88.4	2.5	85.9	3.436.0%
Other non-current liabilities	1.1	1.4	(0.3)	-21.4%
Non-current liabilities	89.5	4.0	85.5	2.137.5%
Developer loans due in the long term	165	134.9	30.1	22.3%
Current borrowings	99.5	209.0	(109.5)	-52.4%
Trade payables	160.2	118.2	42.0	35.5%
Customer prepayments	131.8	161.7	(29.9)	-18.5%
Other current liabilities	46.7	21.3	25.4	119.2%
Current liabilities	603.1	645.1	(42.0)	-6.5%
Total equity and liabilities	**1.687.0**	**1,585.0**	**102.0**	**6.4%**

Statement of cash flows

Cash and cash equivalents increased by €50m from €136.1m at 31 March 2020 to €186.1m at 31 March 2021.

That movement is attributable to net cash outflows from operating activities of €54.5m, net cash outflows from investing activities of €4.3m and net proceeds from financing activities of €108.9m.

The net cash used in operating activities was mainly driven by the movement in inventories. The €50.6m increase in inventories comprised a 6% decrease in land to €582.4m due to the transfer of sites to construction in progress, reflecting the start-up of new building work, which more than offset new site purchases; an increase in construction in progress of 7% to €581.0m, shaped by the start of new construction work net of the completion of other projects; an increase in finished product of 166% to €213.7m, due to deliveries during the reporting period, more than offset by the recognition of newly completed housing units; a decrease of 11% in advances to suppliers - the heading which recognises the amounts paid for land purchase rights and prepayments made in the course of the execution of certain developments - to €17.3m. In addition, trade and other receivables increased by €6.5m, while trade and other payables increased by €42.0m. The net cash used in investing activities amounted to €4.3m.

As for the cash inflows from corporate financing activities, it is worth highlighting the issuance by AEDAS Homes of €58.8m of new commercial paper in FY 2020-21, of which €34.1m was secured by the Spanish state under the Covid guarantee scheme. As a result of increased issuance under the Company's listed commercial paper programme, the total outstanding increased by €9.8m over the course of the year to end March 2021 at €56.7m. In addition, the Company arranged four bilateral loans with differing structures totalling €38m, three of which availing of the state loan guarantee scheme. Lastly, note that the Company refinanced its €150m syndicated loan during the year, extending it by two years on similar terms as the refinanced facility, and with all of the initial banks renewing. By 31 March 2021, the Company had repaid €50m of that facility, leaving €100m outstanding.

As for its mortgaged developer loans, at 31 March 2021, the Company had arranged 75 loans with a total limit of €540.2m. Of that limit, the Company had drawn down (face value) €168.1m by the reporting date, up €39.8m from year-end 2020 (€129.6m).

As regards financing cash outflows, note that the Company invested €24.3m to buy back own shares in the course of FY 2020-21.

(€m)	**FY 2020-21**	**Jan - Mar 2020[9]**	**Change**
Group profit before tax	**113.5**	**3.0**	**110.5**
Adjustments for finance income/costs	**14.2**	**4.3**	**9.9**
Net finance cost	27.1	(4.5)	31.6
Borrowing costs capitalised in inventories	(12.5)	(1.6)	(10.9)
Change in fair value of financial instruments and exchange differences	(0.4)	1.4	(1.8)
Share of profit/(loss) of associates	**0.4**	**0.0**	**0.4**
Assets impairment losses (net)	**2.9**	**-**	**2.9**
EBIT	**128.2**	**7.4**	**120.8**
Depreciation/amortisation and impairment charges	4.9	0.5	4.4
EBITDA	133.2	7.9	125.3
Other adjustments to profit	(22.5)	0.3	(22.8)
Other cash from/used in operating activities	(13.7)	(2.2)	(11.5)
Change in working capital excluding land purchases/sales	(88.4)	(49.4)	(39.0)
Change in working capital derived from land purchases/sales	(63.2)	(15.3)	(47.9)
(A) Net cash used in operating activities	**(54.5)**	**(58.6)**	**4.1**
Investment in group companies and associates	(3.2)	(0.0)	(3.2)
Investment in other PP&E and intangible assets	(1.1)	(0.1)	(1.0)
(B) Net cash used in investing activities	**(4.3)**	**(0.2)**	**(4.1)**
Repurchase/(sale) of own shares	(24.3)	(6.3)	(18.0)
Issuance and repayment of borrowings	133.1	52.5	80.6
(C) Net cash from financing activities	**108.9**	**46.2**	**62.7**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**50.1**	**(12.6)**	**62.7**

[9] The three-month financial year ended 31 March 2020

5.4 Borrowings, liquidity and capital resources

At 31 March 2021, **the Company's gross borrowings stood at €352m**: €169.4m of bank loans (mortgages used to finance work in progress; note that €49m finances developments that are ready for delivery); €186.1m of corporate debt (€100m from the syndicated loan; €54.7m of commercial paper; and €31.5m of other corporate debt). Gross borrowings increased by 2% between 31 March 2020 and 31 March 2021.

Net debt decreased by €36m from 31 March 2020 to €229m (down 14%), due mainly due to the €30.5m reduction of corporate debt (as developer loans increased by €39.8m). As a result, the Company's LTV ratio stood at 12% and its LTC ratio stood at 12% at year-end.

On 1 July 2020, the Company arranged a new €150m corporate financing facility, which refinanced that arranged on 6 August 2018. The new financing has been structured into three agreements: a syndicated loan in the amount of €134.2m and two secured loans totalling €15.8m (secured by the state, specifically, the official credit institute, or ICO). The new loans are repayable in five instalments between 31 December 2020 and 6 August 2022; €50m had already been repaid by 31 March 2021, leaving the balance drawn down at €100m.

In addition, in FY 2020-21, the Company arranged four credit lines to complement its developer loans. Three of the loans, arranged with different banks that have already provided developer loans, have state-backed (ICO) guarantees. The total drawn down at year-end stood at €31.5m. They all have grace periods of at least 6 months and terms of maturity of between 15 and 36 months.

In terms of the debt maturity profile, it is worth noting that the Company's current liabilities are made up of €165m of developer loans that mature in the long term and €99.5m of loans that mature in the short term, while non-current liabilities amount to €88.4m. As a result, 72% of the Company's total borrowings fall due in the long term.

The face value of the limit on the borrowings arranged by the Company stands at €680.6m, €492.4m of which

consists of developer loans. It is worth highlighting AEDAS Homes' financial muscle: the limit on the tranche of the Company's developer loans associated with its land bank increased during the year.

As a result, the Company's net debt at 31 March 2021 stood at €229m, down 14% from 31 March 2020 (€260m).

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

At the March 2021 close, the Company's average borrowing cost was 2.8%. If the Company were to draw down the entire limit, its borrowing cost would be 3.1% and the average cost of its developer loans would be 2.5%.



Berganza (Valladolid)

Trend in net debt

(€m)	April 20 - Mar 21	Jan - Mar 20	Change
(A) Secured debt	169.4	139.1	30.3
(B) Corporate debt	186.2	216.4	(30.2)
Syndicated loan	100.0	150.0	(50.0)
Commercial paper (MARF-listed)	54.7	62.1	(7.4)
Other corporate debt	31.5	4.3	27.2
(C) Amortised cost effect	(3.2)	(4.7)	1.5
Gross debt (A + B + C)	352.3	350.8	1.5
(D) Total cash	123.5	86.1	37.5
Net debt before prepayments (A + B - C)	228.8	264.7	(35.9)
(E) Cash tied to development prepayments	62.6	50.1	12.6
TOTAL CASH (C + D)	**186.1**	**136.1**	**50.1**

Lender bank	Arranged	Drawn
	Developer mortgage loans	
Cajasur	9.40	1.45
Sabadell	47.27	14.38
BBVA	71.82	25.19
Abanca	49.60	5.62
La Caixa	144.60	65.52
Santander	122.33	28.42
Kutxabank	16	9.87
Targobank	36.10	10.75
Bankinter	8.02	2.63
Ibercaja	35.10	4.32
Total	**540.24**	**168.15**

Dividend policy

AEDAS Homes has articulated its shareholder remuneration policy around four cornerstones: (i) net profit; (ii) visibility into cash generation; (iii) leverage metrics and the liquidity needed to fund organic growth; and (iv) any other strategic transactions that could come along in the future. The Company plans to give shareholders the choice of receiving their dividends in cash or shares.

The dividend payment motions submitted by the Board of Directors for approval at the Annual General Meeting are framed by applicable legislation and corporate governance practices, including benchmark international corporate governance recommendations on shareholder remuneration.

Against that backdrop, on 07 May 2021, the Company's Board of Directors agreed to:

- Submit a motion at each Annual General Meeting for the distribution of an ordinary dividend equivalent to 50% of net profit until FY 2023-24, inclusive.
- Contemplate special dividend payments to be approved ad hoc as a function of the cash generated by land sales and the Company's sales performance during the year.
- Cap the distribution of dividends at a leverage ratio of 20% of LTV (net debt over gross asset value).
- Submit a motion for the payment of a dividend of €1.40 per share from 2020/2021 earnings:
    - an ordinary dividend of €0.90 share and;
    - special dividend of €0.50 per share.

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, making it necessary to discontinue it; 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.

Own shares

The **number of shares bought back** between the start of the repurchasing effort on 7 August 2019 and 31 March 2021 totals **3,325,249**, which is equivalent to **6.93% of the company's capital**; those shares were bought back for **€65,153,274.80**[10], i.e., at an average price of **€19.59/share**.

The **number of shares bought back** in 2020-21 was 1,504,578, which is equivalent to 3.14% of capital; those shares were bought for **€28,237,271** , i.e., at an average price of **€18.76/share**. Thirty per cent of the shares were bought back under the scope of the Repurchase Programme and the remaining 70% pursuant to block trades.

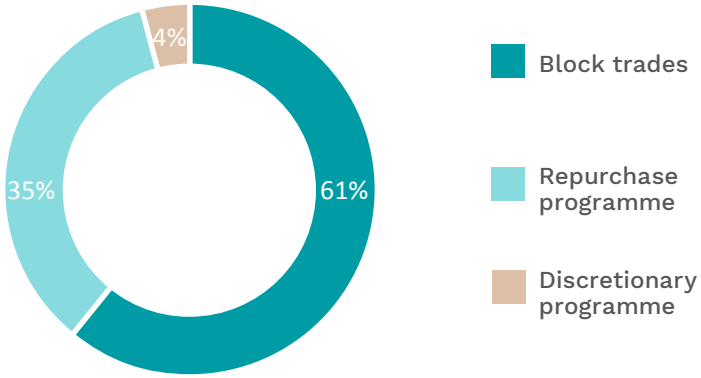
The breakdown of the Company's treasury stock at 31 March 2021:

[10] Includes fees and commissions.

Total shares bought back in 2020-21	**Shares**	**% of capital**
Discretionary Programme	148,724	0.31%
Block trades	2,016,475	4.20%
Repurchase Programme	1,160,050	2.42%
TOTAL	**3,325,249**	**6.93%**

Note that the Company had two equity swap agreements with Goldman Sachs during the reporting period: one covering 236,406 shares (settled on 5 October 2020) and the other covering 115,829 shares (settled on 15 December 2020).

Breakdown of own shares by type of acquisition



Average supplier payment term

Suppliers were paid at **61 days** on average in 2020-21. That balance exceeds the legal limit by one day and is primarily attributable to a one-off delay in receiving progress billings and, by extension, a delay in administrative dealings with the banks. Normalisation of business activities will naturally drive the Company's payment period back under the 60 day threshold.

Average supplier payment term	**2020-21**	**2020 (1 Jan - 31 Mar)**	**2019**	**2018**
		Days		
Average supplier payment term	61.45	46.39	56.01	43.77
Paid transactions ratio	63.28	57.46	58.64	46.38
Outstanding transactions ratio	48.71	32.18	39.06	22.04

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:

- At April 14, 2021, the Company had made early repayment of corporate credit facilities for a nominal amount of EUR 10 million.

- On April 20, 2021, the AEDAS Homes Board of Directors approved the strategic sustainability plan. The ESG Strategic Plan for 2021-2023 prepared by AEDAS Homes continues the path of previous CSR Plans, becoming a more ambitious roadmap by aligning with the Sustainable Development Goals set by the United Nations (UN) for 2030.

  This Strategic Plan specifies a unique corporate vision that is structured on the basis of three dimensions (Governance, Environmental and Social), which in turn consist of 8 lines of action that include 27 specific actions. By implementing the various initiatives set out in the Plan, AEDAS Homes has assumed three ambitious commitments for 2030, one for each of the dimensions.

- On April 26, 2021, the company SPV Reoco 1, S.L.U. changed its name to Aedas Homes Opco, S.L.U. in a notarised document.

- During the month of April 2021, the Company has amortized developer loans for an amount of 11.4 million euros, of which 5.1 million euros correspond to subrogations and the rest to cancellations. These cancelations represent a risk reduction of 18 million euros.

- At May 4, 2021, the total treasury stock held by AEDAS Homes at close of market was 3,360,253 securities representing 7.01% of the capital acquired at an average price of 19.60 €/share. The total number of securities acquired through Discretionary Management was 148,724 securities representing 0.31% of the capital at an average price of 20.31€/share; the total number of securities acquired through the Buyback Programme was 1,195,054 securities representing 2.49% of the capital at an average price of 19.92€/share and the total number of securities acquired in the block market was 2,016,475 securities, representing 4.20% of the capital at an average price of 19.36 €/share.

- On May 7, 2021, the Board of Directors of AEDAS Homes proposed a policy of remunerating its shareholders based on four pillars: (i) volume of net income generated; (ii) visibility on cash generation; (iii) debt ratios and the liquidity necessary to maintain organic growth; and (iv) any other strategic operation that may be considered in the future.

  The resolutions adopted by the General Meeting of Shareholders and the Board of Directors when executing the Shareholder Remuneration Policy take into account the provisions of applicable legislation and good corporate governance practice, and will follow the general recommendations on good governance recognised by the international market in this respect.



Bremond Son Moix (Palma de Mallorca)

On this basis, the Parent Company's Board of Directors, at its meeting held on May 7, 2021, resolved to:

- Submit an annual proposal to the General Meeting of Shareholders that ordinary dividends equivalent to 50% of the net profit should be distributed up to and including the 2023/24 financial year.
- Consider the possibility of supplementing ordinary dividends with extraordinary dividends that can be approved on the basis of the cash generated by sales of land during the year and the level of the Company's commercial performance.
- Limit dividend distributions to an indebtedness of 20% LTV (loan-to-value of assets).
- Propose the distribution of a dividend of €1.40 per share payable from the profit for the 2020/2021 financial year:
    - ordinary dividend of €0.90 per share; and
    - extraordinary dividend of €0.50 per share.

The Parent Company envisages a form of payment that can consist either of a cash payment or treasury shares.

In any case, the Parent Company's Board of Directors reserves the right to amend this policy if major changes occur that could affect the Company's profits or its financing needs, making it impracticable to maintain this policy, including, amongst others, changes in macroeconomic conditions or the decision to carry out major corporate transactions or acquisitions that would a significant affect this decision.



Torre Estronci 91 (Hospitalet de Llobregat)



06 Share price performance and CNMV filings

6.1 Share price performance

AEDAS Homes' share price started 2020 at €17.50. Its share price peaked at €23 on 5 January 2020 and recorded its low for the year - of €12.12 - on 20 May. At the end of its fiscal year - 31 March 2021 - its shares were trading at €22.4, implying a discount to the NAV reported as of that same date (€33.68 per share) of 33.5%. As a result, the share price gained 28% in FY 2020-21, albeit fluctuating significantly.

Trading liquidity increased considerably during the second half of FY 2021-22 compared to the first half, with the equivalent of 10% of total outstanding shares trading hands during the reporting period. The drop in liquidity is attributable to the reduction in the size of the free float due to the buyback of own shares and the higher interest taken by the Company's core shareholder, Castlelake.



South Bay Las Mesas (Estepona)

6.2 CNMV filings

Publication date	Price-sensitive information (PSI) Financial/corp. information	Type	Summary content	Registration NO
6/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	31 March - 6 April 2020 buy back programme report	1418
13/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	7-13 April 2020 buy back programme report	1531
20/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	14-20 April 2020 buy back programme report	1654
27/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	21-27 April 2020 buy back programme report	1784
04/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	28 April - 4 May 2020 buy back programme report	1974
11/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	5-11 May 2020 buy back programme report	2162
14/05/2020	ORI	Other relevant information	2020 Results for the three months ended 31 March 2020, webcast announcement	2251
18/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	12-18 May 2020 buy back programme report	2290
20/05/2020	ORI	On business and financial situation	2020 (1 Jan-31 Mar) Results Presentation	2333
20/05/2020	ORI	Announcement of general shareholders' meeting	Second 2020 Ordinary General Shareholders Meeting announcement	2334

Publication date	Price-sensitive information (PSI) Financial/corp. information	Type	Summary content	Registration NO
21/05/2020	Interim financial information for listed companies	Half-yearly financial reports and audit reports/limited audit review	Submission of financial information for fiscal 2020 (1 Jan. - 31 Mar.)	2348
21/05/2020	Annual Corp. Gov. report	Annual Corp. Gov. report	Annual Corporate Governance Report for the year ended 31 March 2020	2020023511
21/05/2020	Director remuneration report	Director remuneration report	Annual Report on Director Remuneration for the year ended 31 March 2020	2020023510
25/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	19-25 May 2020 buy back programme report	2414
01/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	26 May - 1 June 2020 buy back programme report	2516
08/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	2-8 June 2020 buy back programme report	2617
15/06/2020	ORI	On financial instruments	2020 AEDAS Homes commercial paper programme	2749
16/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	9-15 June 2020 buy back programme report	2814
22/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	16-22 June 2020 buy back programme report	2940
23/06/2020	ORI	Announcement of general shareholders' meeting	Resolutions adopted Second 2020 General Shareholders' Meeting	2966
29/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	23-29 June 2020 buy back programme report	3068
06/07/2020	ORI	Other relevant information	€150m new term loan facility agreement	3209
06/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	30 June - 6 July 2020 buy back programme report	3242

Publication date	Price-sensitive information (PSI) Financial/corp. information	Type	Summary content	Registration NO
13/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	7-13 July 2020 buy back programme repor	3382
20/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	14-20 July 2020 buy back programme report	3493
22/07/2020	ORI	Announcements of public presentations or meetings	Q1 2020-21 Results webcast announcement	3549
27/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	21-27 July 2020 buy back programme report	3642
29/07/2020	Interim financial information for listed companies	Interim financial reports	Submission of interim management report for the first quarterof fiscal 2021	3703
29/07/2020	ORI	On business and financial situation	1Q 2020-21 Results presentation	3704
03/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	28 July - 3 August 2020 buy back programme report	3940
03/08/2020	ORI	Other relevant information	PKF Incorporation	3941
04/08/2020	ORI	Other relevant information	Subscription of the framework agreement to join the MARF ICO COVID commercial paper guarantee programme	3956
10/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	4-10 August 2020 buy back programme report	4041

Publication date	Price-sensitive information (PSI) Financial/corp. information	Type	Summary content	Registration NO
17/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	11 - 17 August buy back programme and block trade report	4088
24/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	18-24 August 2020 buy back programme report	4114
31/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	25-31 August 2020 buy back programme report	4159
07/09/2020	ORI	On financial instruments	BBB rating State-guaranteed commercial paper note program	4257
07/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	1-7 September 2020 buy back programme report	4260
11/09/2020	ORI	General	Submission of the general meeting regulations	4368
14/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	8-14 September 2020 buy back programme report	4416
21/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	15-21 September 2020 buy back programme and block trade report	4548
22/09/2020	Major holdings and own shares	Own share notices filed	New additional 1% threshold	2020099013
28/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	22-28 September 2020 buy back programme and block trade report	4670

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05/10/2020	ORI	Buy-back programmes, stabilisation and treasury stock	29 September - 5 October 2020 buy back programme report	4858
12/10/2020	ORI	Buy-back programmes, stabilisation and treasury stock	6-12 October 2020 buy back report and equity swap cancellation	4962
19/10/2020	ORI	Buy-back programmes, stabilisation and treasury stock	13-19 October 2020 buy back programme report	5087
22/10/2020	ORI	Other relevant information	2020-21 dividend information	5140
22/10/2020	ORI	On corporate governance	Director	5141
26/10/2020	ORI	Buy-back programmes, stabilisation and treasury stock	20-26 October 2020 buy back programme report	5223
02/11/2020	ORI	Buy-back programmes, stabilisation and treasury stock	3-9 November 2020 buy back programme report	5637
16/11/2020	ORI	Buy-back programmes, stabilisation and treasury stock	10-16 November 2020 buy back programme report	5773
18/11/2020	ORI	Other relevant information	1H 2020-21 Results webcast announcement	5792
23/11/2020	ORI	Buy-back	17-23 November 2020 buy back programme report	5841
25/11/2020	ORI	Half-yearly financial reports and audit reports/limited audit review	Submission of financial information for H1 2020-21	5860
25/11/2020	ORI	On business and financial situation	H1 2020-21 Results presentation	5861
30/11/2020	ORI	Buy-back programmes, stabilisation and treasury stock	24-30 November 2020 buy back programme report and block trade	5952
07/12/2020	ORI	Buy-back programmes, stabilisation and treasury stock	1-7 December 2020 buy back programme report	6067

Publication date	Price-sensitive information (PSI) Financial/corp. information	Type	Summary content	Registration NO
14/12/2020	ORI	Buy-back programmes, stabilisation and treasury stock	8-14 December 2020 buy back programme report	6193
22/12/2020	ORI	Buy-back programmes, stabilisation and treasury stock	15-21 December 2020 buy back programme report	6333
29/12/2020	ORI	Buy-back programmes, stabilisation and treasury stock	22 to 28 December 2020 share buy-back report	6394
04/01/2021	ORI	Buy-back programmes, stabilisation and treasury stock	29 Dec 2020 to 4 Jan 2021 Share Buy Back report	6479
08/01/2021	ORI	On business and financial situation	Agreement between AEDAS Homes and joint venture formed by Grupo Lar and Primonial to develop 655 units for the rental market	6354
11/01/2021	ORI	Buy-back programmes, stabilisation and treasury stock	5 to 11 January 2021 share buy-back report	6561
18/01/2021	ORI	Buy-back programmes, stabilisation and treasury stock	12-18 January 2021 share buy back report	6700
26/12/2021	ORI	Buy-back programmes, stabilisation and treasury stock	19-25 January 2021 share buy back report	6766
26/01/2020	ORI	Buy-back programmes, stabilisation and treasury stock	19-25 January 2021 share buy back report	6767
28/01/2021	ORI	Other relevant information	9M 2020-21 webcast and conference call announcement	6822
01/12/2021	ORI	Buy-back programmes, stabilisation and treasury stock	26 January to 1 February share buy-back report	6888
04/02/2021	ORI	On business and financial situation	9M 2020-21 results presentation	6948
08/02/2021	ORI	Buy-back programmes, stabilisation and treasury stock	2-8 February 2021 share buy-back report	7036

Publication date	Price-sensitive information (PSI) Financial/corp. information	Type	Summary content	Registration NO
15/02/2021	ORI	Buy-back programmes, stabilisation and treasury stock	9-15 February 2021 share buy-back report	7108
22/02/2021	ORI	Buy-back programmes, stabilisation and treasury stock	16-22 February 2021 share buy back report	7199
01/03/2021	ORI	Buy-back programmes, stabilisation and treasury stock	23 February to 1 March 2021 share buy-back report	7676
09/03/2021	ORI	Buy-back programmes, stabilisation and treasury stock	2-8 March 2021 share buy-back report	7850
16/03/2021	ORI	Buy-back programmes, stabilisation and treasury stock	9-15 March 2021 share buy-back report	7998
22/03/2021	ORI	Buy-back programmes, stabilisation and treasury stock	16-22 March 2021 share buy-back report	8094
25/03/2021	ORI	On business and financial situation	Agreement between AEDAS Homes and Lazora to develop 288 units for the rental market	8175
29/03/2021	ORI	Buy-back programmes, stabilisation and treasury stock	23-29 March 2021 share buy-back report	8267



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AEDAS HOMES

Paseo de las Castellana, 42
planta 8ª
28046 - Madrid
T. +34 917 88 00 00

aedashomes.com