AEDAS HOMES

FY 2022-23 Integrated Annual Report

CONSOLIDATED MANAGEMENT REPORT



Qian (Majadahonda)

Chairman's statement

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



Chairman’s statement

Dear fellow shareholders:

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

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

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



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

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

The fight against climate change is the central axis of our roadmap. By 2030, we intend to halve the carbon footprint of our developments and to achieve this, we are committed to using Modern Methods of Construction and sustainable materials in our developments. This is why by FY 2023, 25% of the homes we deliver will be built offsite or incorporate a range of precision-built industrialised components, opening up a new path for the homebuilding sector.

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

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

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

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

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

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

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

Our responsible way of understanding residential development has also spurred us to get involved in one of the most pressing challenges facing Spanish society today: access to housing. Over the course of the year, we broke ground on almost 2,500 affordable rental units for the Plan VIVE scheme and we delivered 60+ affordable homes to customers. In addition, we have contributed to designing the cities of tomorrow by participating in different sector forums, while lending our support to cultural, social and sports programmes in the communities where we operate.

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

Many thanks,

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



Fioresta (San Juan de Alicante)

Chief Executive Officer’s statement

Dear friends of AEDAS Homes:

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

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

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

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

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



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



Soul Marbella Sunrise (Marbella)

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

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

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

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

By lines of activity, we delivered 2,120 BTS units, at an ASP of €364k (up 8% over last year), generating BTS revenue of €772 million at a gross margin of 28%, and 610 BTS units (5 developments), at an ASP of €184k, generating €112 million in BTR revenue. Through our Real Estate Services division, we delivered a further 814 units which were developed as part of joint ventures or directly for third parties, generating income of €5 million from fees from services and a margin of €3 million (59%). This asset-light division continues to grow and explore new business opportunities in niche markets such as senior housing or co-living.

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

As Peter Drucker once wisely said, “the best way to predict the future is to create it”, and that is precisely what we did in FY 2022-23: lay the foundations for a sustainable future, in line with the United Nations 2030 Agenda and with the goals set out in our ambitious ESG Strategic Plan 2021-2023.

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

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

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



Lambot (Madrid)

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

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

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

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

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

The involvement of the people who make up AEDAS Homes is also decisive in our positive impact on society. In addition to contributing to progress by generating in the neighbourhood of 9,000 jobs indirectly, purchasing €431 million from suppliers and collecting €113 million in taxes, at AEDAS Homes we support initiatives for access to housing. An example of this commitment is our active participation in the Community of Madrid’s Plan VIVE initiative, where we are managing the development of 3,600 affordable rental homes through a public-private partnership.

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

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

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

Thank you for putting your trust in us,

David Martínez

CEO OF AEDAS HOMES

Key figures

AEDAS Homes at a glance

A look back at the last 12 months

Milestones 2022-2023

Mourelle (Calviá)

AEDAS Homes at a glance

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

Key metrics

AS OF 31 MARCH 2023

REVENUES
€920m

GROSS ASSET VALUE (GAV)
€2,088m

EMPLOYEES
302

INDIRECT JOBS CREATED
8,990*

MARKET CAPITALISATION
€609m

LAND BANK DEVELOPMENT CAPACITY
15,255 homes

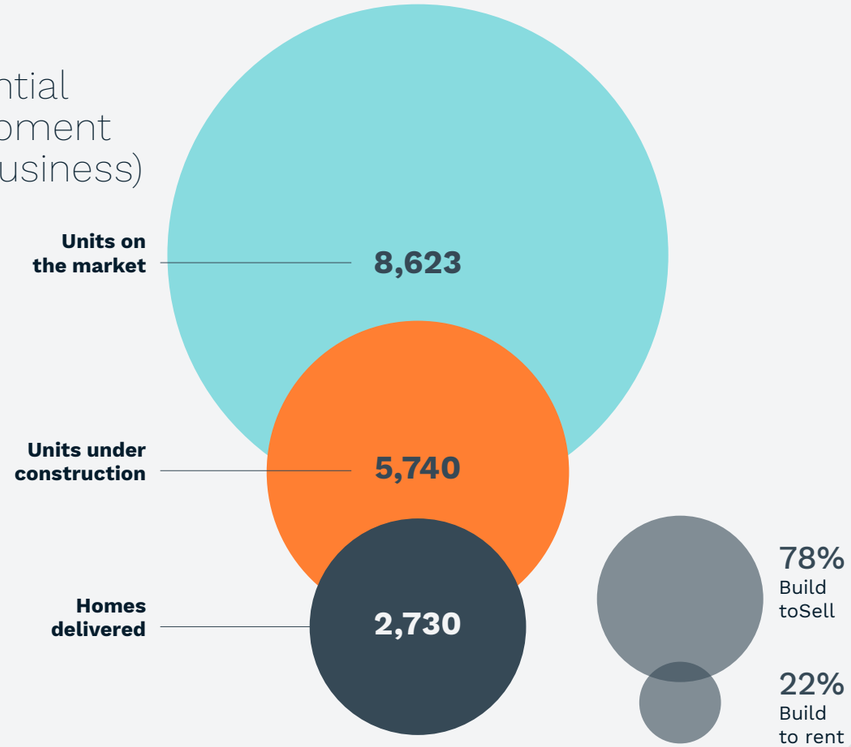
PRESENCE
20 provinces
60+ municipalities

Bagaria II (Cornellá de Llobregat)

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

Business lines

Residential development (core business)



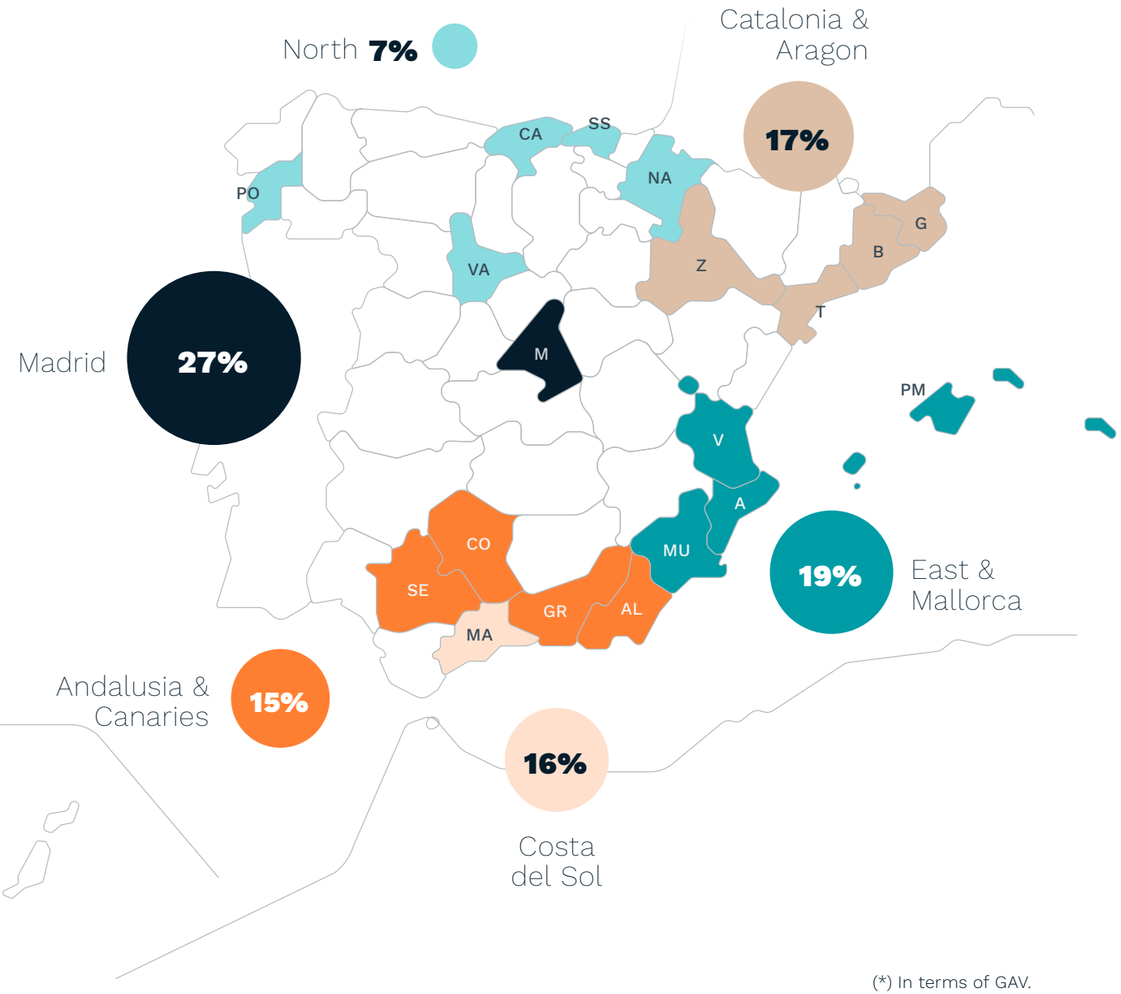
Land bank development capacity: 15,255 units in 20 provinces

Asset light Real Estate Services division

814 homes delivered under co-investment projects and projects under management for third parties.

AEDAS Homes footprint*

At 31 March 2023

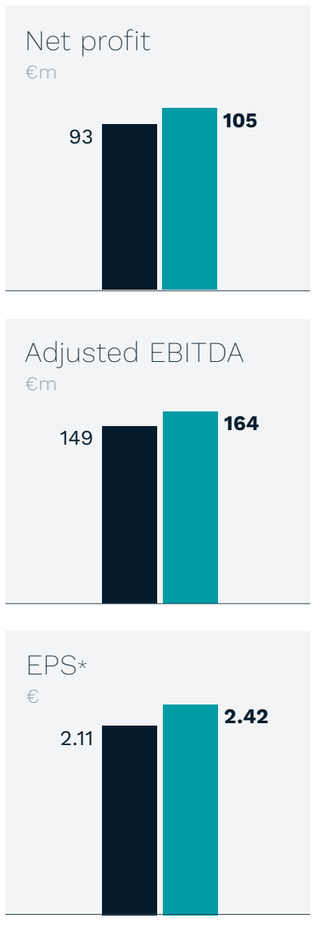


(*) In terms of GAV.

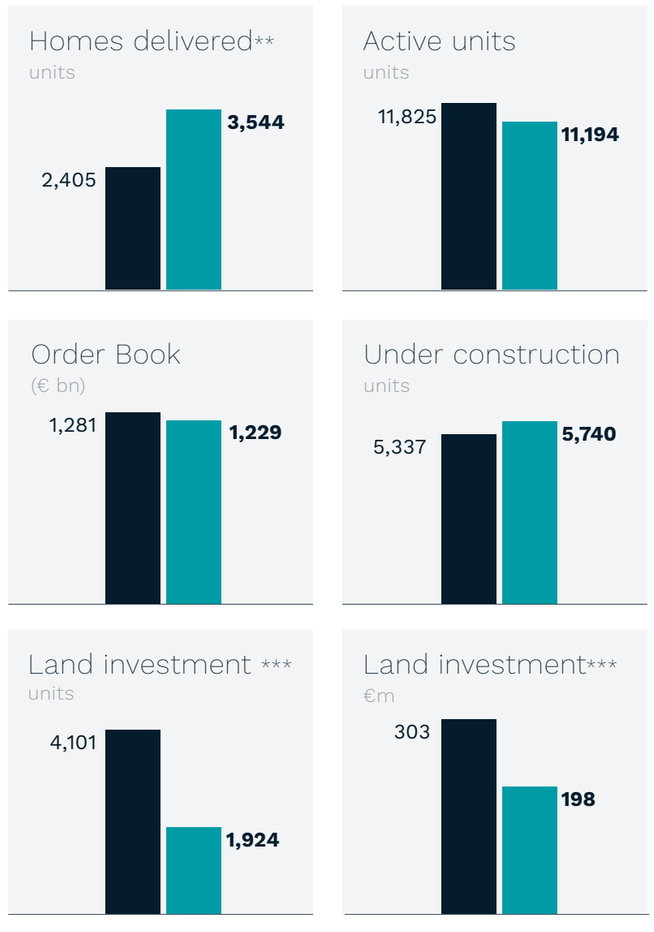
A look back at the last 12 months

2021-2022 2022-2023

Key financial indicators



Key business indicators at year-end



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

(*) Diluted earnings per share

(**) In FY 2021-22, 2,257 BTS+BTR units were delivered and 148 units were delivered through the Real Estate Services division, whereas in FY 2022-23, 2,730 BTS+BTR units were delivered, and 814 units were delivered through the Real Estate Services division.

(***) Total includes new land investments finalised in the fiscal year as well as committed investments (purchase options)

Partnering up to create value

Shareholders

€103m
in dividends paid out

€50m
New share buyback approved

>100 reuniones
with analysts and investors

Customers

New flagship showroom
1,300 m²

Versus last year, average ticket
for customisation options tripled

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

Employees

Great Place to Work certification
for the second year running

Variable compensation scheme tied to achievement of sustainability metric

Eight measures
to promote health and safety

Two initiatives to foster young talent
for recent graduates

Suppliers

€431m
paid to suppliers

300+ assessments
of critical suppliers

Community

€113m
in taxes collected

7 social action projects

18 sports sponsorships

ConLasArtes Awards
in 10 municipalities

Environmental achievements

Sustainable construction

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

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

Recycling facilities installed at 39% of completed developments

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

Key environmental indicators at AEDAS Homes

147,279 tCO_2e
Scope 1 and Scope 2 emissions

314,742.3 kWh
of electricity consumed

1,301.38 m^3
of water consumed

30,126.11
litres of fuel consumed

4,643 kg
of paper waste generated

66.5 kg
of toner waste





Corporate governance indicators

UNE 19601
Management System for Criminal Compliance

2 new corporate policies
defined

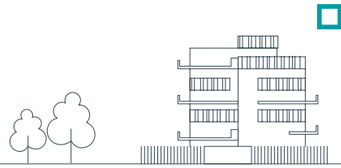
0 enquiries
received through Whistleblowing channel

Milestones

2022

April

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



Gazmira

May

Board approves headquarters move to Paseo de la Castellana, 130 in Madrid

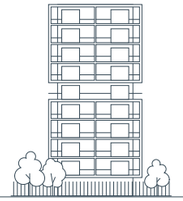
AEDAS Homes' second Charity Challenge raises €25,000 for the Red Cross' care programme for hospitalised children



Comte

June

Inauguration of AEDAS Homes' flagship showroom in Madrid



Patmos

July

Payment of a final dividend of €1.34 per share from FY 2021-22 earnings

5th annual AEDAS Homes Architects Gathering, attended by ~100 professionals



Eida 1

August

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



Carreres

October

Compliance management system certified under UNE 19601

First development marketed 100% online in Alicante

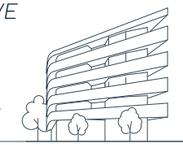
Agreement with Iberdrola for the creation of sustainable homes in Community of Madrid



Tables 1

November

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



Leyster

2023

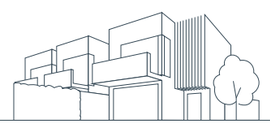
January

Homes sold by AEDAS Homes to individuals since its creation hit the 10,000 mark

AEDAS Homes revolutionises the housing market by selling its Aborda (Valencia) development exclusively online

Cervantes Sports Prize for the Best Company in Alcalá de Henares

AEDAS Homes and Pamplona launch an international urban sculpture contest under the umbrella of *ConLasArtes*



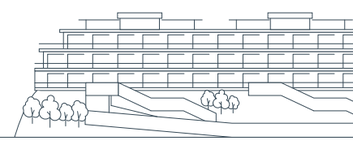
Idilia Meraki

March

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



Tarsia



Idilia

About AEDAS Homes

Our Background

Our lines of business

Our business model

Committed to sustainable development

Our strategy

Gamboa e Isunza (Valladolid)

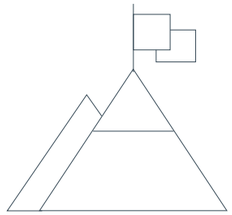
Our background

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



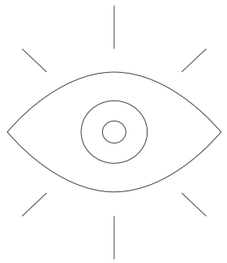
Dos Hermanas Centro (Dos Hermanas)

Corporate culture



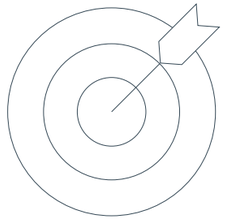
Mission

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



Vision

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



Purpose

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

Values



Passion

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



Excellence

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



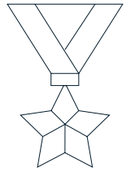
Creativity

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



Integrity

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



Resilience

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

History

2013

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

2013-2015

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

2016

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

2017

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

2018

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

2019

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

2020

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

2021

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

2022

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

Corporate and shareholder structure

Corporate structure

AEDAS HOMES, S.A.

100%

AEDAS HOMES OPCO, S.L.

100%

Wholly-owned companies

- **AEDAS HOMES LIVING, S.L.**
- **FALCON DESARROLLOS INMOBILIARIOS,S.L.**
- **AEDAS HOMES CANARIAS, S.L.***
- **DAMALANA SERVICIOS Y GESTIONES, S.L.**
- **SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.**
- **EGON ASSET DEVELOPMENT, S.L.**
- **AEDAS HOMES COLMENAR VIEJO, S.L.****
- **AEDAS HOMES RENTAL, S.L.*****

Partially-owned companies

- 87.5% **SPV SPAIN 2, S.L.**
- 20% **WINSLARO ITG, S.L.**
- 22.5% **SERVICIOS INMOBILIARIOS LICANCABUR, S.L.**
- 14.81% **URBANIA LAMATRA II, S.L.**

100%

AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.

Partially-owned companies

- 50% **ESPACIO AUREA, S.L.**
- 20% **ALLEGRA NATURE, S.L.**
- 22.5% **RESIDENCIAL HENAO, S.L.**
- 14.81% **AUREA ETXABAKOITZ, S.L.**
- 17.13% **RESIDENCIAL CIUDADELA UNO, S.L.**
- 52% **DOMUS AVENIDA, S.L.**

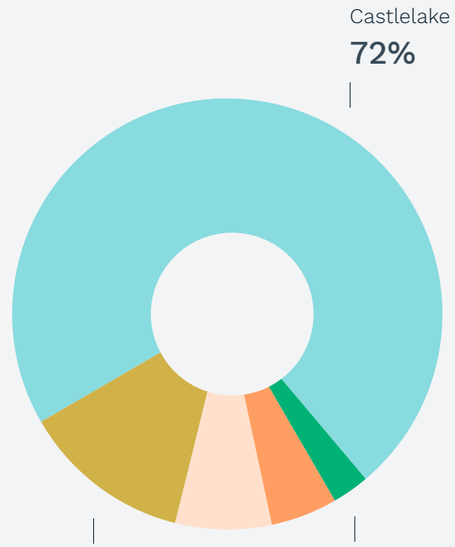
100%

LIVE VIRTUAL TOURS, S.L.

- 100% **NATURE ESTE, S.L.**
- 30% **VARÍA ACR MÓSTOLES FUENSANTA, S.L.**

(*) Previously ESPEBE 18, S.L.
(**) Previously TURKEY PROJECTS DEVELOPMENT, S.L.
(***) Previously FACORNATA SERVICIOS Y GESTIONES S.L.

Shareholder structure



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

Our lines of business

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

Business lines

Residential development

- Build to Sell
  - Sale to individual customers
- Build to Rent
  - Sale of turnkey developments to institutional investors for rental

Real Estate Services

- Integrated development
  - Funds, institutional Investors and family offices



Gazmira (Las Palmas de Gran Canarias)

Residential development

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

AEDAS Homes development process

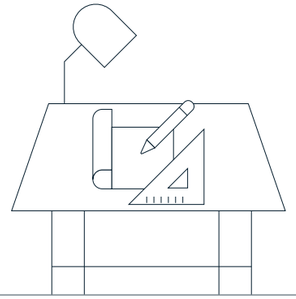
Land acquisition and management



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

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

Design



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

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

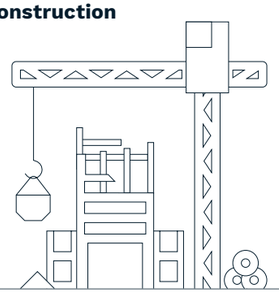
Sales and marketing



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

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

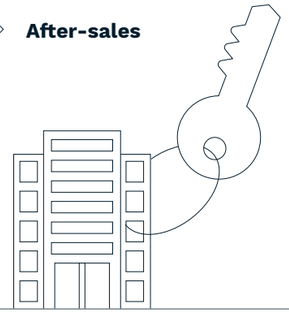
Construction



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

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

After-sales



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

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



Business lines by customer type

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

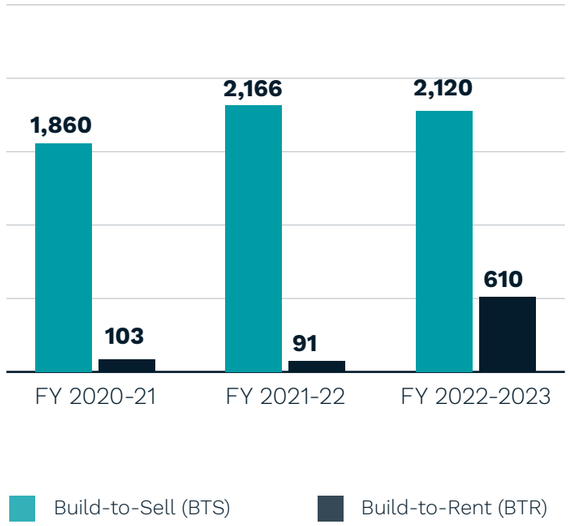
1. **Build-to-Sell (BTS):** focused on multi-family and single-family developments for retail customers buying homes for their personal use and enjoyment or as an investment.
2. **Build-to-Rent (BTR):** development of turnkey multi-family projects for institutional investors, designed specifically for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

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

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

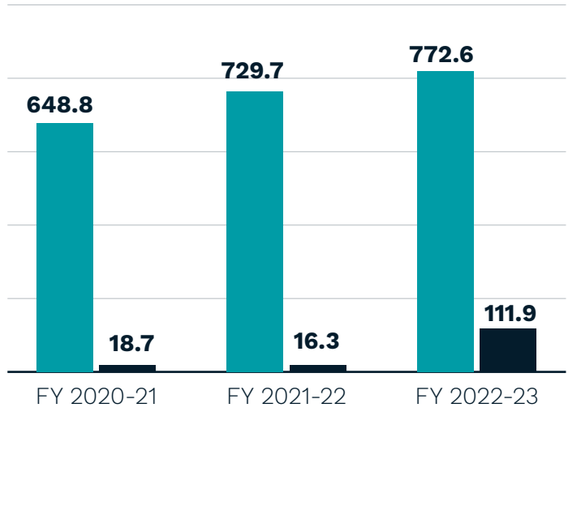
Trend in homes delivered, BTS VS. BTR

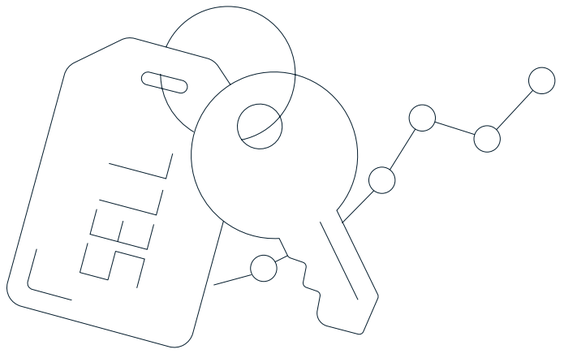
In units



Trend in revenue, BTS VS. BTR

€ m





Build-to-Sell (BTS) line

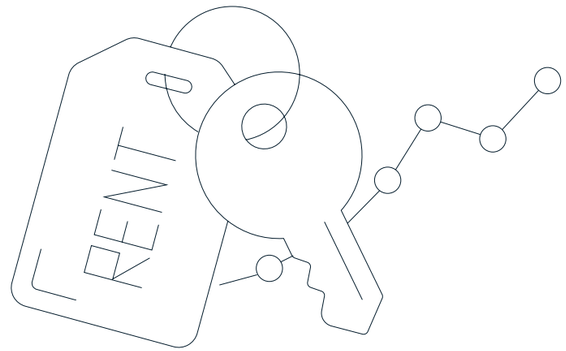
Our residential developments are concentrated in regions presenting strong and tangible demand fundamentals. We build well-designed, sustainable, modern and innovative homes for people in the mid to upper income brackets who are able to absorb possible price or interest rate increases, such as those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

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

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

Key metrics in the BTS line

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



Build-to-Rent (BTR) line

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

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

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

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

Key metrics in the BTR line

(units)	2021-2022	**2022-2023**
Deliveries	91	**610**
Order Book	1,142	**567**
Under construction	993	**699**

Land bank with potential for 15,255 homes

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

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

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

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

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

AEDAS Homes landbank at 31 March 2023

1 Madrid

Units	**3,786**	25%
GAV* (€m)	**561**	27%
GDV* (€m)	**1.682**	29%

2 Catalonia & Aragón

Units	**2.222**	15%
GAV* (€m)	**345**	17%
GDV* (€m)	**821**	14%

3 East & Mallorca

Units	**3.111**	20%
GAV* (€m)	**399**	19%
GDV* (€m)	**1.022**	18%

4 Andalusia & Canaries

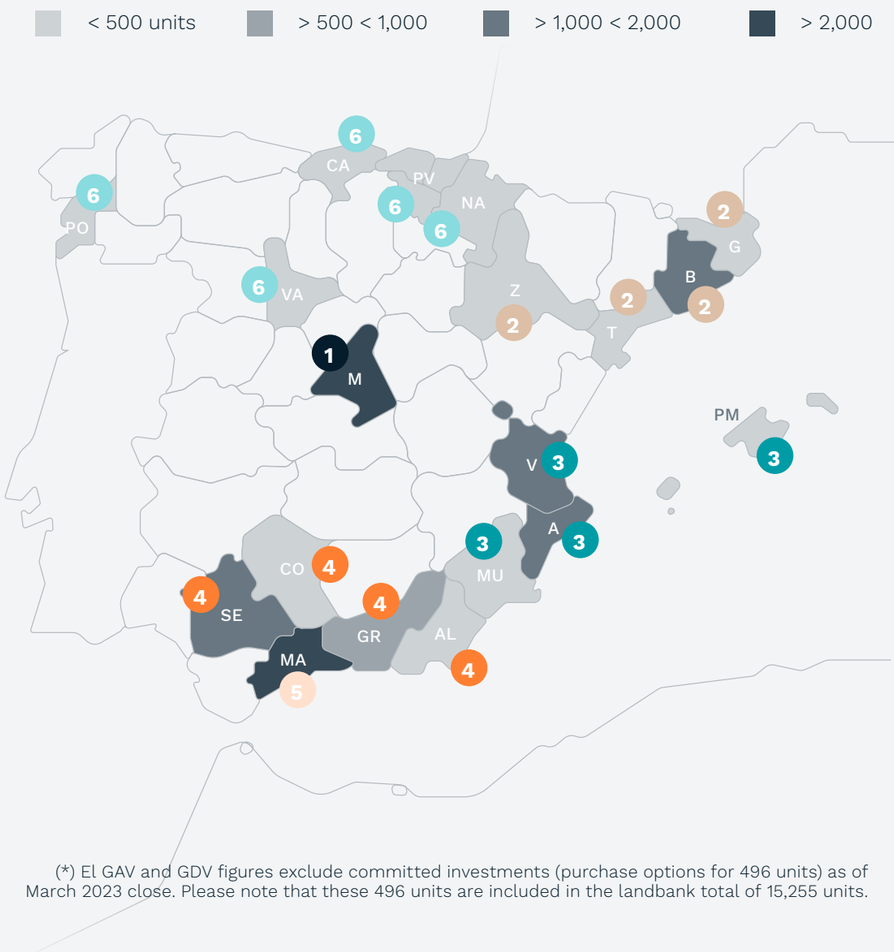
Units	**3.071**	20%
GAV* (€m)	**306**	15%
GDV* (€m)	**827**	14%

5 Costa del Sol

Units	**2.211**	14%
GAV* (€m)	**326**	16%
GDV* (€m)	**1.158**	20%

6 North

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



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

Asset-light Real Estate Services line

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

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

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

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

For further information, refer to "Contribution to affordable housing"



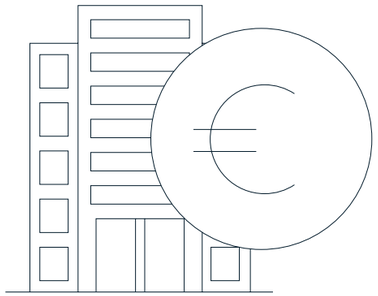
Without co-investment

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

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

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

- End-to-end management of the 375-unit development in Cañaveral in Madrid for Azora, which plans to rent the units out once delivered.



With co-investment:

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

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

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

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



Lambot (Madrid)

Our business model

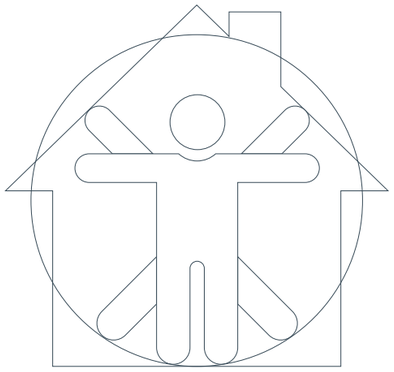
We have articulated our business model around five pillars which allow us to adapt to different scenarios and generate value for our shareholders and other stakeholders.



Azure (Estepona)

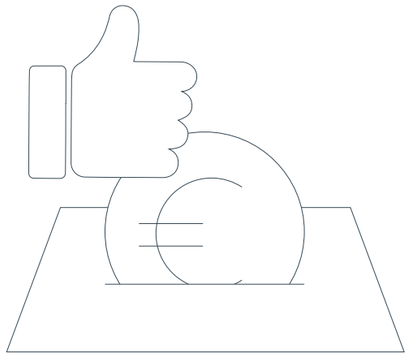
Business model pillars

Sustainable, people-focused homes



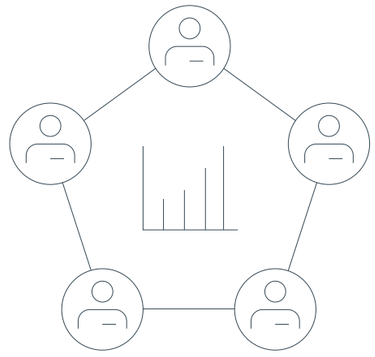
- Designs drafted with individuals and their wellbeing in mind.
- Retail customers with mid to upper income levels.
- In-depth market studies for optimal product definition.
- Innovative use of technology at all customer touch points.

Selective investment in quality land



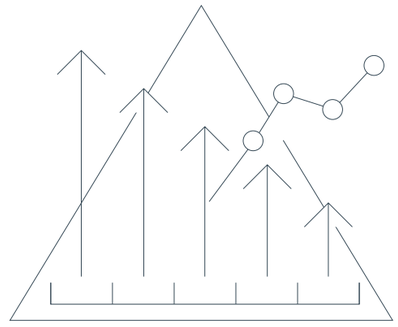
- Concentrated in areas with proven, long-term demand fundamentals.
- Regional experts with deep knowledge of their local markets.
- Centralised due diligence, negotiations and closings.
- Ability to originate, analyse and execute opportunities of varying sizes.

Decentralised and scalable management



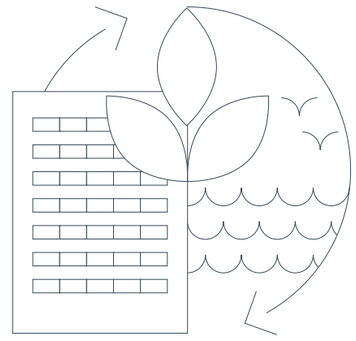
- Nimble and flexible organisational structure.
- Regional teams with rich experience so as to leverage local know-how.
- Centralised supervision with key functions performed in-house.
- Design, sales and construction outsourced to trusted partners.
- Limited fixed-cost base.

Bottom-up approach



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

Innovation inspired by sustainability ambitions



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

Sustainable people-focused homes



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

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

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

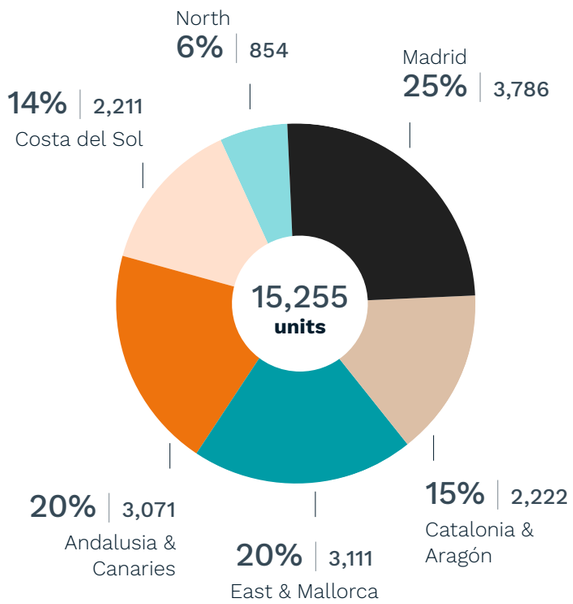
For further information, refer to "Our customers, our inspiration to innovate"

Selective investment in quality land

Land bank breakdown

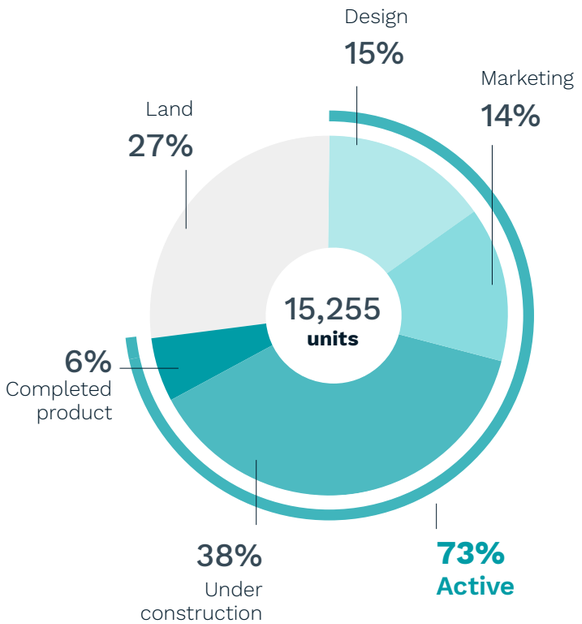
Landbank breakdown by Regional Branch

Units



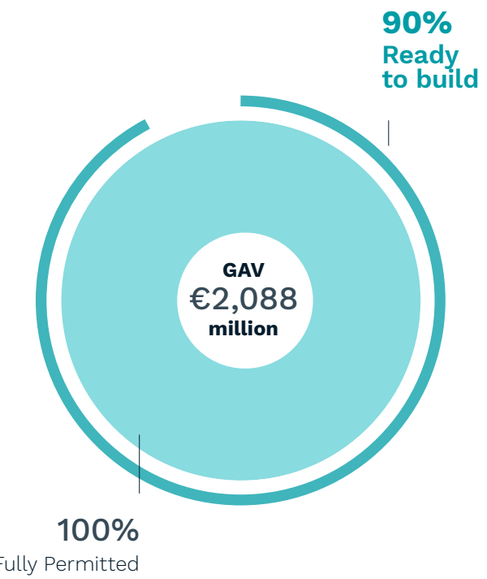
Landbank breakdown

Active units



Landbank breakdown

GAV



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

The ultimate goal is to ensure a strategic buffer of carefully selected sites to enable the company to carry out its business activity and deliver its strategic targets. To achieve that goal, we take a proactive approach to investment, anticipating general market trends and identifying and generating off-market investment opportunities.

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

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

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

Decentralised and scalable management

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

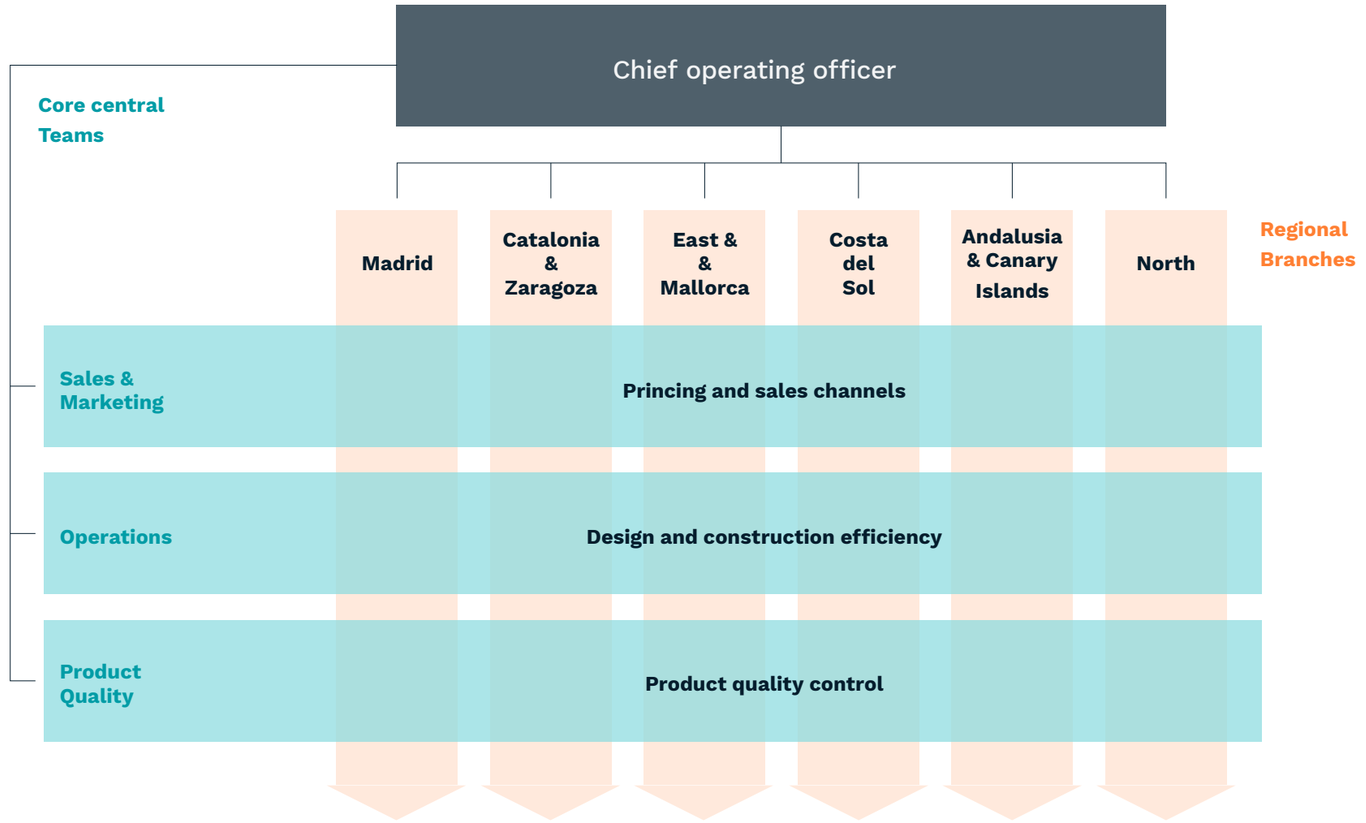
We are surrounded by a team of excellent professionals who are deeply committed to AEDAS Homes' values and goals. Their work is passionate, rigorous, honest and transparent. We work according to planned and flexible processes that make us predictable while enabling us to respond to different cycles or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

That approach has enabled us to build our success on the local know-how and experience of our teams and partners, who see us as a strategic partner they can trust.

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

Decentralised management

- **Six Regional Branches**
- **Three core oversight teams at headquarters**



Bottom-up approach

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

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

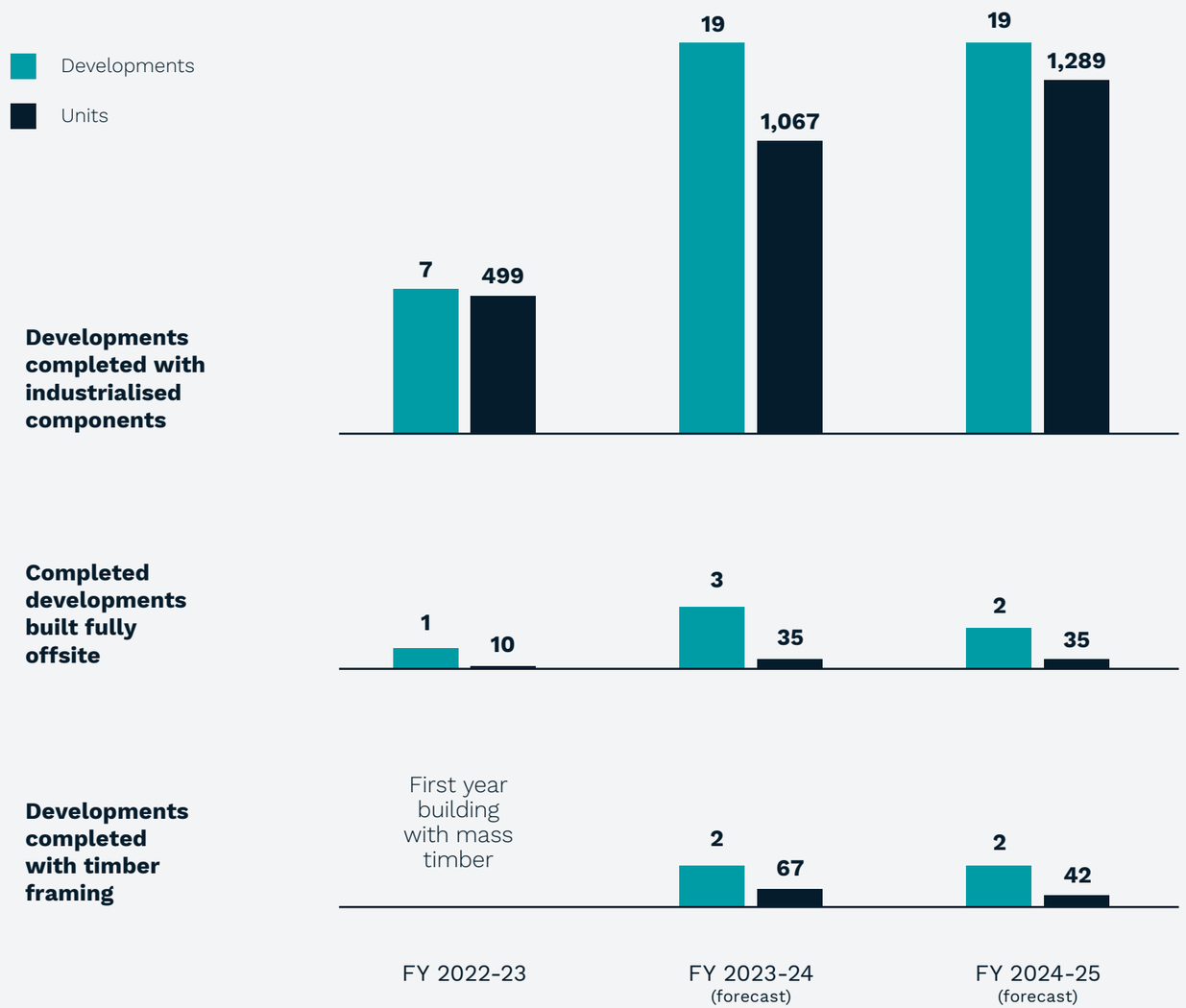
We apply that same approach to optimising our capital structure and sources of financing, lowering our average cost of capital and broadening and/or diversifying the latter.

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



Innovation at the service of sustainable construction

Key indicators for offsite construction



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

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

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

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

Committed to sustainable development

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



Contribution to the 2030 Agenda

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

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

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

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

SDG 3. **Health and wellbeing**	Employee wellbeing programm: medical check-ups, flu jabs, physiotherapy in the office, Health Week event, nutrition workshops, defibrillators, road safety talks, Healthy City challenge, health recommendations shared monthly.
	Monitoring of onsite safety conditions throughout the construction process.
	Health and Safety awards in our developments
SDG 8. **Decent work and economic growth**	96% of employees on permanent contracts.
	Annual training programmes (50 hours/employee) and ESG training programme, in FY 2022-23 for the entire workforce.
	47 events at universities and business schools to help boost the employability of young people
	Programmes for “Development Managers in Training” and “Development Technical Specialists in Training” for recent graduates.
	Remote working policy.
SDG 9. **Industry, innovation and infrastructure**	25% of developments built partially or fully offsite.
	Developer Operating System for external partners.
	Introduction of phygital experiences.
	Pilot testing of 100% online development marketing.
	Strategic alliances to explore innovation in residential development.
	Innovation workshops and Innovation Newsletter for employees.
SDG 10. **Reduce inequality**	Development services for 3,600 affordable rental homes under Madrid’s Plan Vive.
	Corporate volunteering programme.
	Social Action Plan.

 **SDG 11. Sustainable cities and communities**	Fostering the development of affordable housing.
	Life cycle assessments (LCA) carried out on 41 developments finalized last year.
	100% of developments compliant with Green Book and/or BREEAM.
	Developments with AA energy ratings.
	Green spaces and sustainable drainage.
	Sponsorship of a number of local sports clubs.
	Cultural initiatives in the cities where we operate through our ConLasArtes programme.
 **SDG12. Responsible consumption and production**	100% of construction work compliant with Green Book and/or BREEAM.
	Life cycle assessments (LCA) carried out on all developments.
	Spain's first residential development to incorporate fully recycled aluminium components.
	Use of sustainable concrete.
	Recycled insulation used in façades.
	Use of cross-laminated timber (CLT) in some developments.
	One tree planted for every home delivered.
 **SDG 13. Climate action**	62% of developments activated are targeting an AA energy rating.
	Deliver part of our developments built partially or fully offsite.
	Breaking ground on first residential developments built with CLT.
	Implementing recycling centres and sustainable drainage systems in our developments
 **SDG 17. Partnerships for the goals**	Participation in key sector platforms to foster sustainable building.
	Sustainable building agreements with suppliers.

Membership in the World Green Building Council (WGBC)

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

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



Escalonia III (Las Rozas)

ESG policy and goals

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

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

ESG policy principles

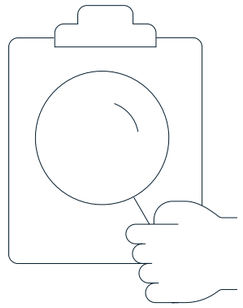
Compliance and integrity



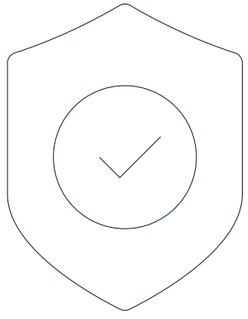
Excellence



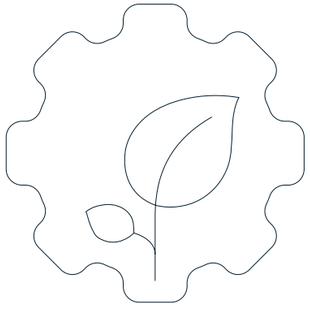
Transparency



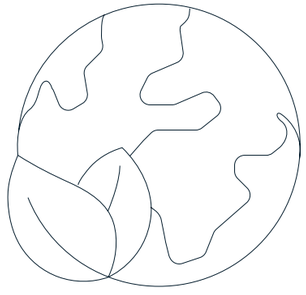
Health and safety



Sustainability and innovation



Environmental protection



Duties

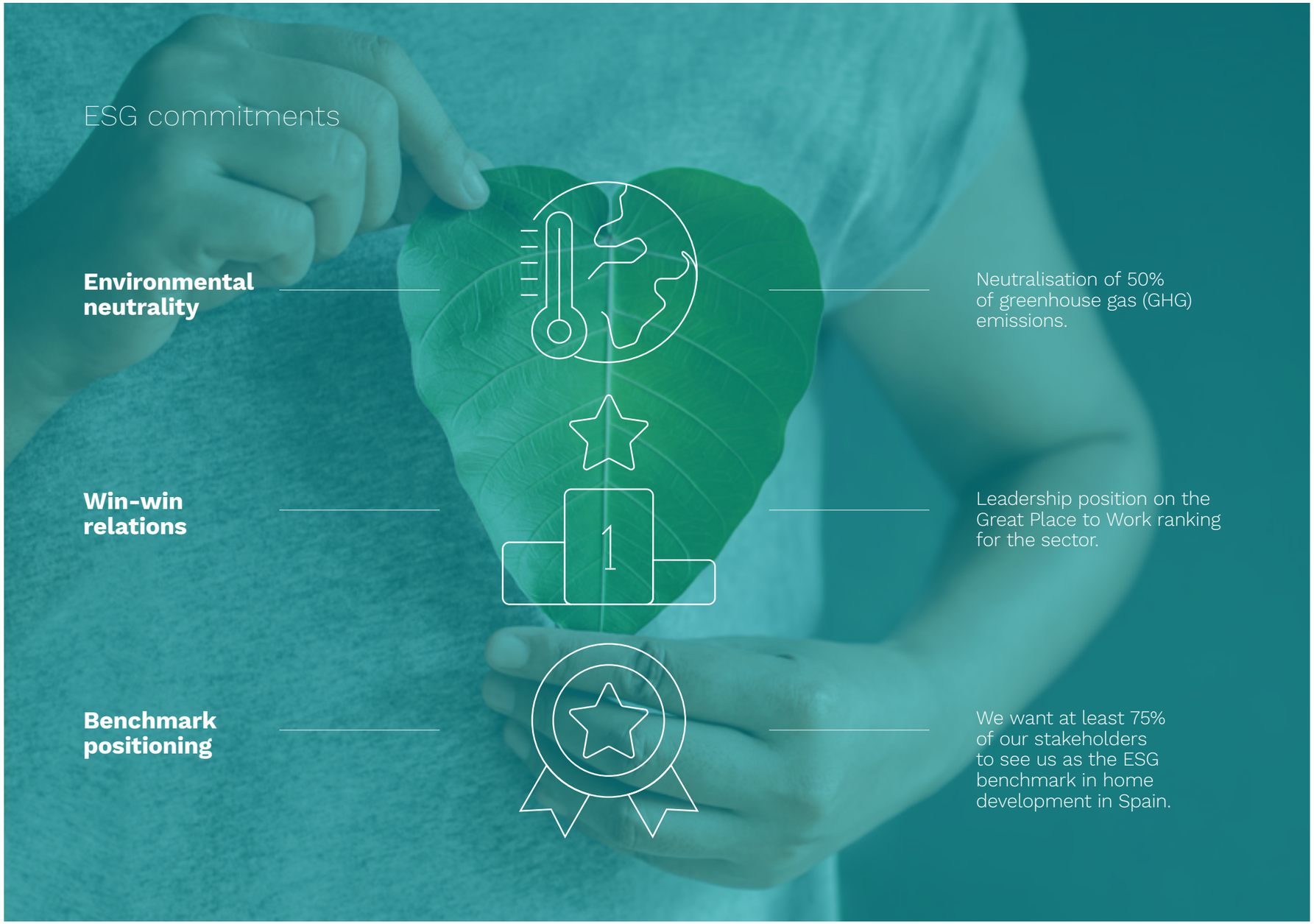
Under that policy, the Board of Directors is tasked with approving the ESG Strategic Plan and the resources needed to implement it and is also responsible for annual oversight of environmental, social and governance aspects and the enterprise risk management (ERM) system.

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

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

Integration of ESG aspects

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



ESG commitments

Environmental neutrality

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

Win-win relations

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

Benchmark positioning

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

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

Our strategy

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

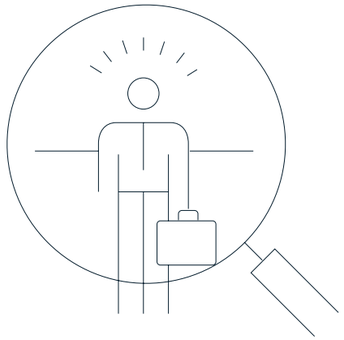


Qian (Madrid)

Business strategy

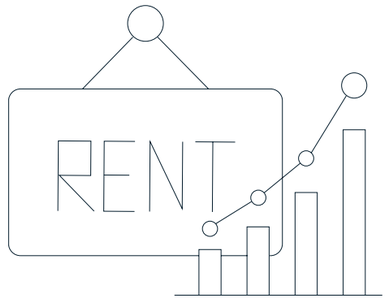
We have a solid long-term business plan marked by ambitious financial and shareholder remuneration commitments. To achieve those targets, even during times of economic uncertainty such as these, we are pursuing the following lines of initiative:

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



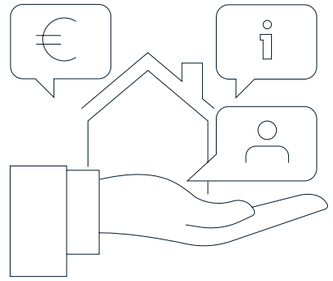
Where buyers have the capacity to absorb the effects of inflation, thanks to select investment in high-quality land in areas where demand is strong, unlocking compelling returns.

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



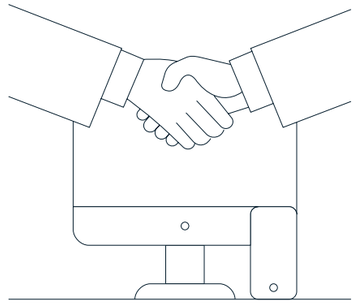
The shortage of quality new-build product in the booming institutional build-to-rent market is creating a business opportunity for us. Build-to-rent transactions help to de-risk the business plan and pin down the organisation's revenue and earnings targets. We consider the BTR formula opportunistically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

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



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

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

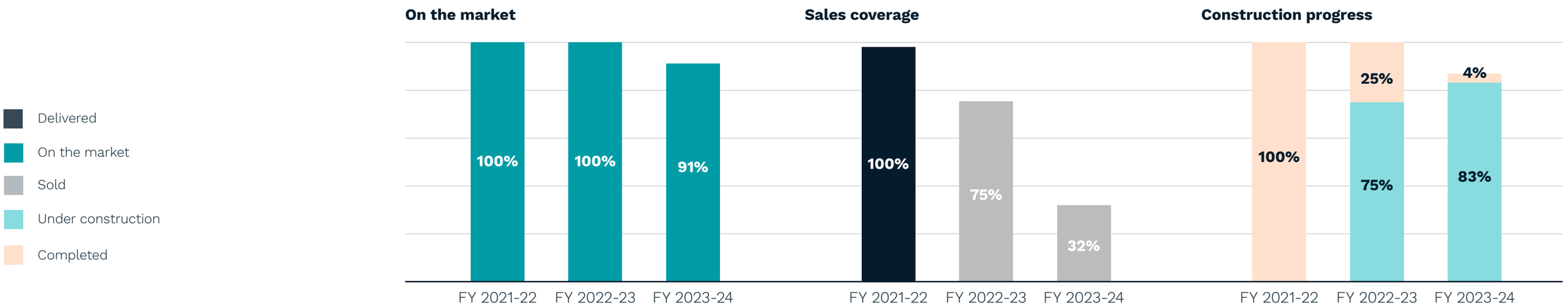


We are fostering the phygital (physical + digital) experience, connecting the in-person and virtual realms to create satisfying experiences for customers. In parallel, we have created an API-based technology platform whereby external partners can integrate their business processes with those of AEDAS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

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

Coverage ratios

Number of BTS & BTR units





Idilia Views (Rincón de la Victoria)

ESG Strategic Plan 2021-2023

In parallel to execution of our business strategy, we continue to implement our ESG Strategic Plan, a roadmap aligned with the United Nations 2030 Agenda which sets down and articulates our environmental, social and governance targets around eight key lines of initiative and 27 specific action plans.



For further information about how the ESG strategy was put into practice, refer to Chapter 4, A year creating value together.

Environmental	**Climate change**	9 11 13	Our Climate Change Policy is currently being defined and is at a very advanced stage.
	Healthy and sustainable developments	9 11 12	100% of our developments were built to specifications aligned with the Green Book or another prestigious seal
			Recycling facilities installed at 39% of new developments
			Sustainable draining systems installed at 37% of developments
			One tree planted for every home delivered
			Water reusage system installed at 32% of developments
	Ecoefficient operations	9 11 12	34% of units ongoing this year are being built partially or fully offsite
Social	**Excellence and innovation in customer dealings**	9 8 17	Questions about sustainability perceptions added to customer satisfaction surveys
			Employees encouraged to adopt a culture of innovation through two Innovation Workshops
			Publication of an Innovation Newsletter
	Human capital	3 8 9	Rated as a Great Place To Work in the real estate sector for the second year running
			An ESG target is included in the annual variable remuneration system covering 82% of the workforce
	Social footprint	10 11 17	Foundations laid for disseminating community initiatives. Six collaborative actions last year benefitting nine different groups (ahead of the target of three collaborative actions and three groups)
Governance	**ESG governance and value generation**	8 11 17	Compliance management system certified under UNE 19601
			Incentive scheme tied to delivery of ESG targets for senior management and key employees
			Risk map updated, with two ESG risks identified
	Transparency and brand	8 11 17	Annual report prepared as an Integrated Report
			Improvement in ESG risk rating
			ESG matters layered into the company's communication strategy

Financial performance

Economic and market dynamics

Business performance

Earnings performance

Balance sheet and cash flows

Key performance indicators

Idilia Meraki (Rincón de la Victoria)

Economic and market dynamics

The real estate sector is facing a period of uncertainty in the wake of the European Central Bank's recent monetary tightening in an effort to curb inflation. In this climate, demand for new-build homes from individuals in the mid- to high-income brackets is proving resilient, while institutional investors continue to display interest, albeit cautious, in purchasing housing for subsequent rental.



Linneo (Mislata)

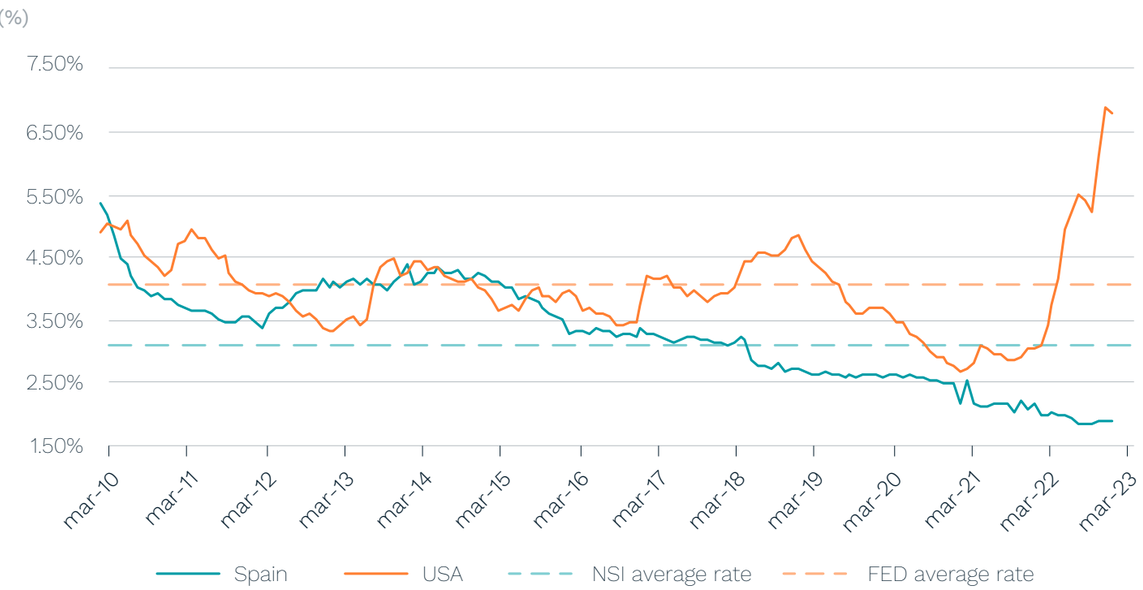
Spain is expected to be one of Europe's strongest economies in the coming years. According to the Organisation for Economic Cooperation and Development (OECD), gross domestic product is set to increase by 1.3% in 2023, down from the 5.5%[1] registered in 2022, but ahead of the growth of 0.7% forecast for France and the 0.3% anticipated in Germany. The 2022 job data published by Spain's national statistics office (INE) likewise evidence the economy's strength: employment increased by 1.4% last year.

The real estate market is facing a new interest rate environment more akin to the average for the last 15 years. In July 2022, the European Central Bank (ECB) decided to raise rates after 11 years without hikes, following in the footsteps of the Federal Reserve, in order to curb inflation. That first 50 basis point increase has since been followed by a further five hikes to leave official ECB rates at 3.5% by March 2023: 75 basis points (September 2022), 75 basis points (October 2022), 50 basis points (December 2022), 50 basis points (February 2023) and, most recently, 50 basis points (March 2023). Despite that path of gradual monetary policy tightening, in March 2023, core inflation (which excludes unprocessed foods and energy products) stood at 5.7% year-on-year in the eurozone and 7.5% in Spain.

The rate increases do not appear to have impacted the new-build segment in Spain so far. Demand for new housing remains resilient, with both households and developers in better financial health than in the past. Demand has polarised, however, remaining strong among buyers with mid to upper income levels, with those in the mid to lower brackets tending to drift to the rental segment.

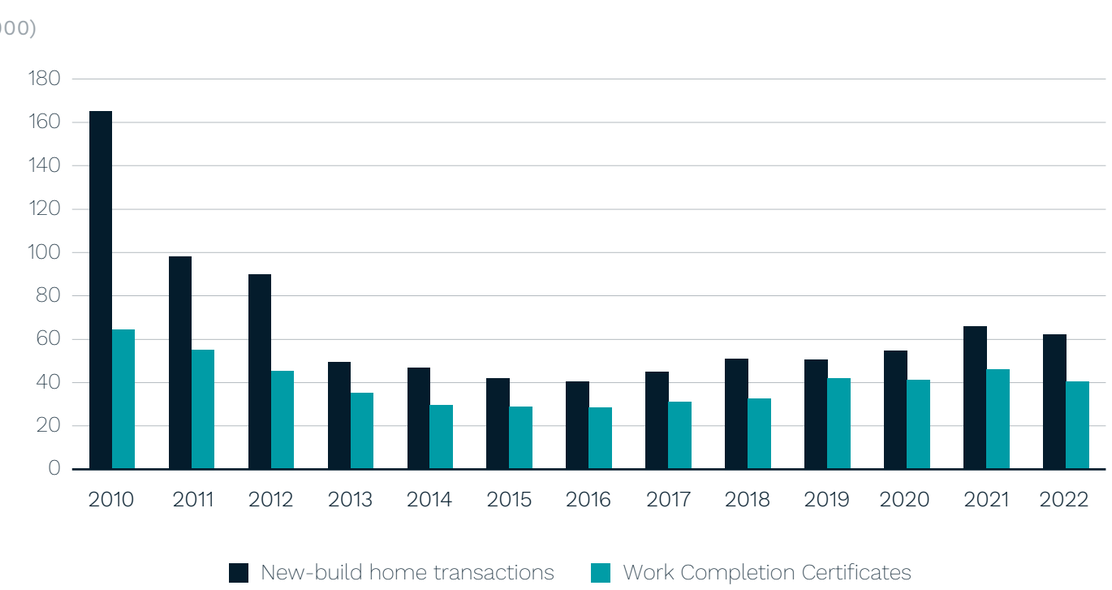
The new rate paradigm has yet to erode home-buying appetite. Moreover, according to the most recent figures published by the Spanish Ministry of Transport, Mobility and Urban Agenda, new-build sale transactions and work completion certifications continue to lag the volume of supply needed by a country with the population size and growth expectations of Spain (estimated at around 100,000 units per annum). Indeed, the current volumes are a considerable 40% below that threshold.

Average mortgage rates



Source: National Statistics Institute and Federal Reserve.

Transaction volumes and work completion certifications



Source: Ministry of Transport, Mobility and Urban Agenda

[1] According to Spanish National Statistics Institute (INE) figures.

Since the last major financial crisis, Spanish households have improved their finances significantly. Individuals have become more risk averse and have deleveraged. Professionalisation of the development sector has been a key driver of that deleveraging process, as is evident in the reduction in the size of Spain's mortgage portfolio (which is down 20%+ from the peak reached towards the end of 2010).

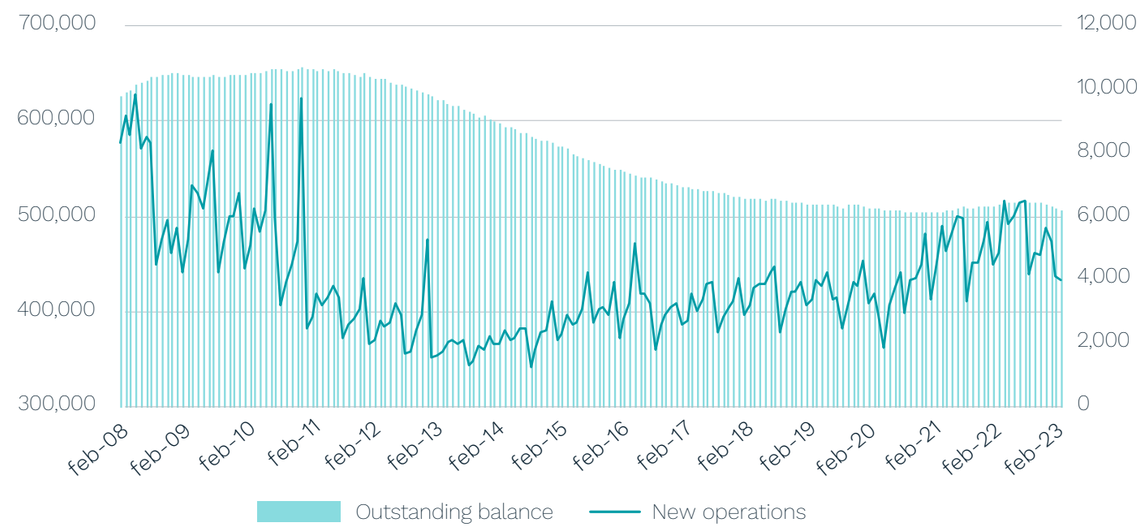
More specifically, new house prices registered growth of 6.2% in Spain in 2022 according to the INE, with the shortage of supply in new builds also invigorating the second-hand housing segment, where prices increased by 5.3%.

House prices, meanwhile, are currently similar to 2010 levels, whereas other European countries have sustained price increases of 90%+, which may cool demand in those countries as their affordability metrics deteriorate. In Spain, the affordability ratio measured as average house prices over average annual household income stood at 7.8 years as of the fourth quarter of 2022, well below the level of almost 10 years observed in 2008, according to Bank of Spain figures.

The price of housing in Spain is at levels similiar to 2010, while European peers have experienced increases of 90%

Spanish mortgage market

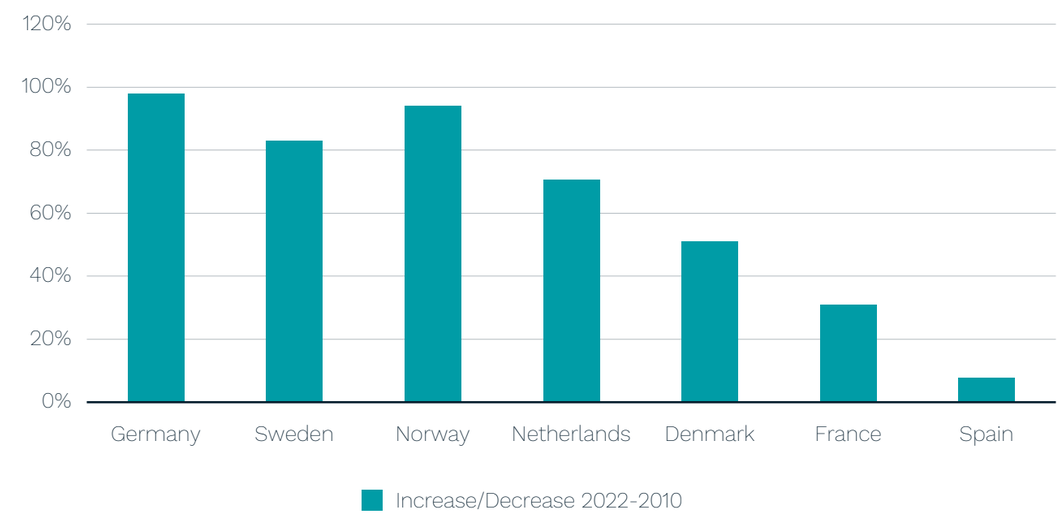
In millions of euros



Source: Bank of Spain

Comparative growth in house prices

(%)



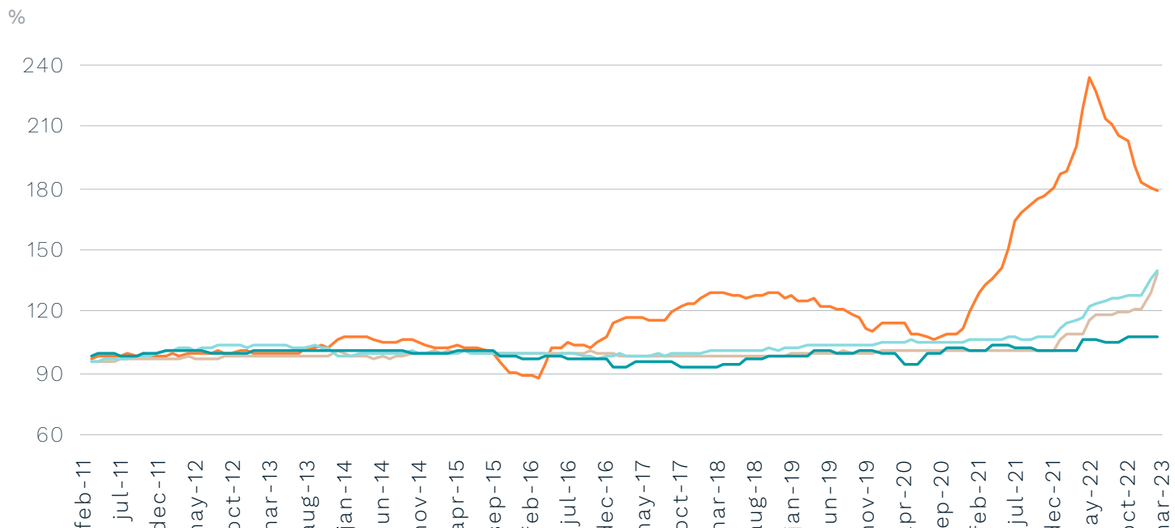
Source: Eurostat

[2] Measured by dividing average house prices by disposable gross household income.

Elsewhere, the wave of inflation engulfing the development sector, with some raw materials (such as steel) sustaining price increases of over 50% during the past two years, has been settling down since the summer of 2022. Here it is worth mentioning the delays encountered in obtaining certain supplies (kept to under one month) at the start of 2022 on account of the truckers' strike in March, exacerbating the construction material inflation scenario.

Nevertheless, we expect the normalisation of raw material costs to be offset by growth in labour costs due to the scarcity of skilled labour in the construction sector.

Trend in the construction costs index [3]



Source: Ministry of Transport, Mobility and Urban Agenda

New opportunities are emerging in the sector, specifically in response to the need to boost the stock of rental housing, which is increasingly drawing the interest of expert institutional investors. According to Eurostat, rental housing accounts for roughly 50% of the national stock of housing in countries such as Germany. The institutional investor community's increased interest in Spain is driving sector professionalisation, a trend expected to transform the current market where an estimated 95%+ of the stock of housing is in the hands of individual owners, despite the increase in Build-to-Rent transactions observed in recent years, which has recently stagnated in wake of the ECB's new monetary policy tack.

[3] All four indices rebased to January 2015 = 100.



Fioresta (San Juan de Alicante)



49 Pizán (Vilanova i la Geltrú)

Business performance

AEDAS Homes' strong business performance and execution capabilities led to high delivery of its targets for FY 2022-23. In the current inflationary scenario, the resilience of the demand segments targeted by the company enabled it to defend its margins and thereby reiterate most of the targets set and announced to the market in the June 2021 Strategic Plan update.

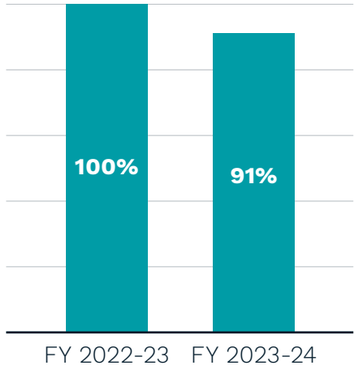
In order to highlight the level of visibility into delivery of our key targets for the next two years, the table below provides information about existing coverage of those metrics, specifically in relation to units put on the market, sold and under construction at 31 March 2023.

In terms of developments put on the market, the numbers reveal virtual full coverage of the next two years' targets.

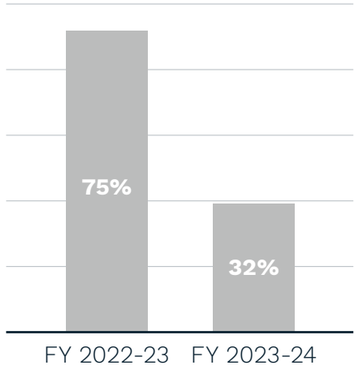
As for sales, AEDAS Homes has already sold 75% of the FY 2023-24 delivery target and 32% of the FY 2024-25 target.

Indicating the progress made on the construction front, 75% of the deliveries targeted for FY 2023-24 are under construction, with 25% already complete, with those same ratios running at 83% and 4% of the FY 2024-25 delivery target, respectively.

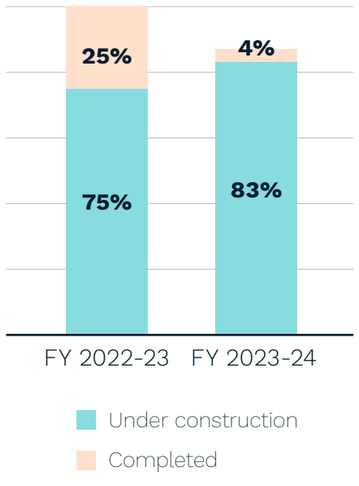
Units on the market



Sales



Construction



Active units

Units are considered 'active', or under development, from when they enter the design phase until their delivery.

At 31 March 2023, AEDAS Homes had a total of 11,194 active units: 21% at the design stage; 20% in the marketing phase; 51% under construction; and 8% completed (of which 84% had obtained the First Occupancy Permit).

Active units breakdown

Developments on the market

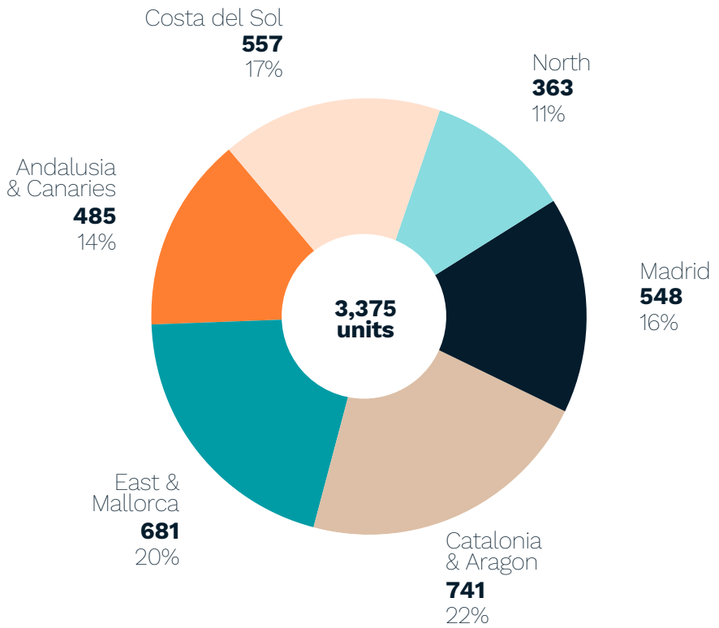
Housing units are considered 'launched', or on the market, once marketing is underway, i.e., they are classified as on the market subsequent to the design phase, once they are put up for sale.

During FY 2022-23, the company put 62 residential developments encompassing 3,375 units on the market, similar to the FY 2021-22 volume and in line with the level needed to attain annual deliveries of close to 3,000 units.

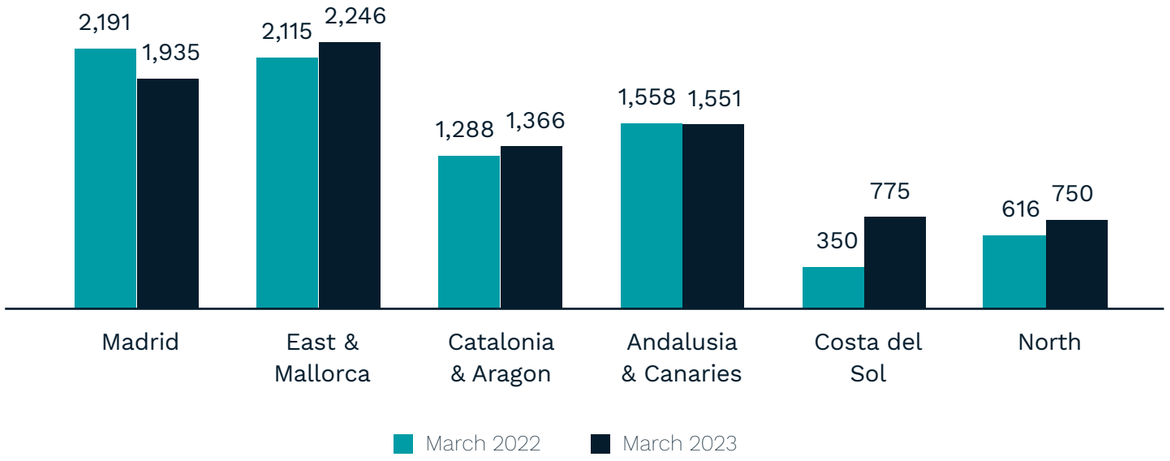
At 31 March 2023, the number of units on the market stood at 8,623; they were on sale at average prices of close to €400,000 in the Build-to-Sell (BTS) segment and almost €174,000 in the Build-to-Rent (BTR) segment.

Elsewhere, the trend around leads and their conversion into in-person visits was similar to that observed in prior years, whereas the conversion of those leads and visits into pre-sale agreements suggests that buyers are taking longer to take the final purchase decision.

Units put on the market in FY 2022-23, by Regional Branch



Units on the market, by Regional Branch



Sales

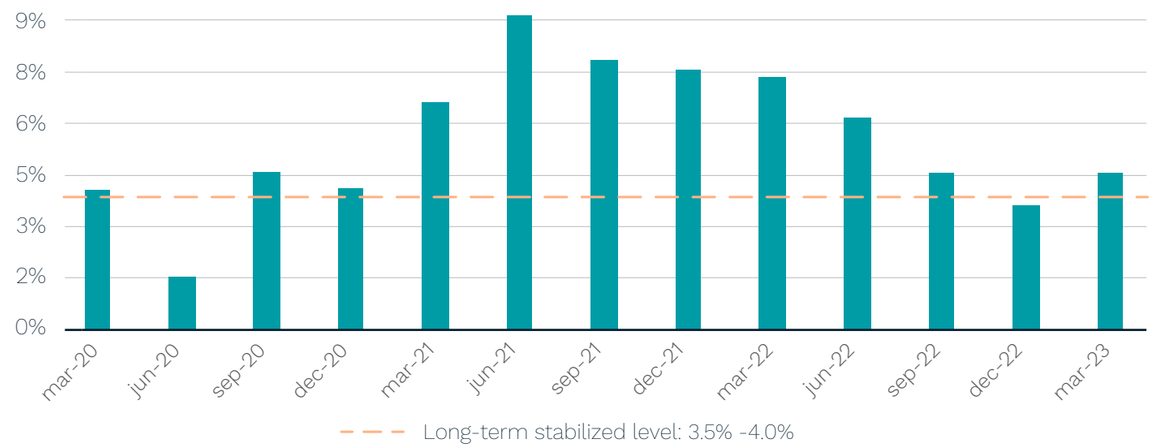
The sale of a unit begins with execution of a pre-sale agreement. Once the company has a building permit for a pre-sold house, the buyer is asked to execute a sale contract and provide a down payment of 10% of the total price; buyers continue to pay instalments of 10% at regular intervals until the building work is complete. Lastly, when the building work is complete and the First Occupancy Permit has been granted, the customer is asked to pay the remaining 80% (plus applicable VAT) when signing the deed of purchase, upon which keys to the house are delivered immediately.

In FY 2022-2023, the company sold a total of 2,327[4] units (184 units in the BTR segment, which were sold at an average price of close to €171,000, with the remaining 2,143 in the BTS segment, sold at an average price of €385,000) at a blended average sales price (BTS + BTR units) of close to €368,000 (year-on-year growth of 9%). The value of the units sold in FY 2022-23 was €856[4] million.

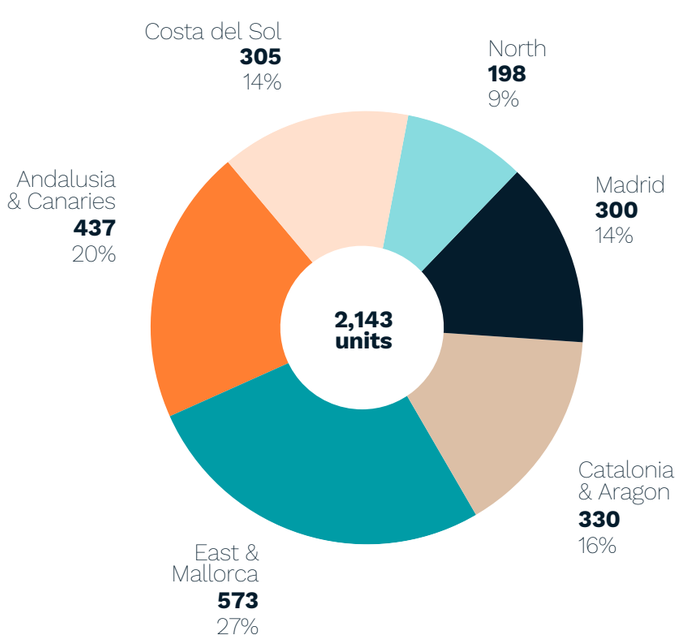
There is a sustained evolution in demand, with absorption ratios stabilised at healthy levels

In FY 2022-23, the company delivered 2,730 homes (2,120 BTS units and 610 BTR units), which translated into €885 million of revenue (+18% year-on-year, fuelled by growth in deliveries, as well as the higher average sales price of the units delivered). The company's Real Estate Services line also delivered 814 units. Note that the income generated by this business line is not accounted for within revenue from the sale of homes.

Average quarterly sales absorption rate (BTS)



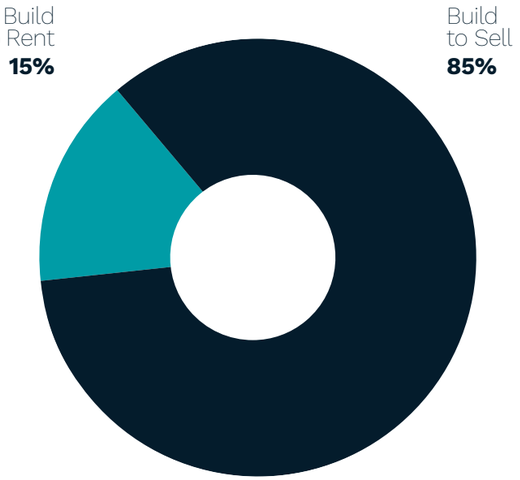
BTS sales by Regional Branch



By 31 March 2023, the company had sold an accumulated ~12,000 units for €3.96 billion since its creation. Of that total, 8,197 homes, valued at €2.73 billion, have been delivered. As a result, the Order Book at 31 March 2023 stood at 3,703 units worth €1.23bn, 73% of which are under a sales agreement and 27% of which constitute pre-sales.

Order Book

units



[4] Not including the cancellation of a BTR development for which the Sales and Purchase Agreement had not been signed.

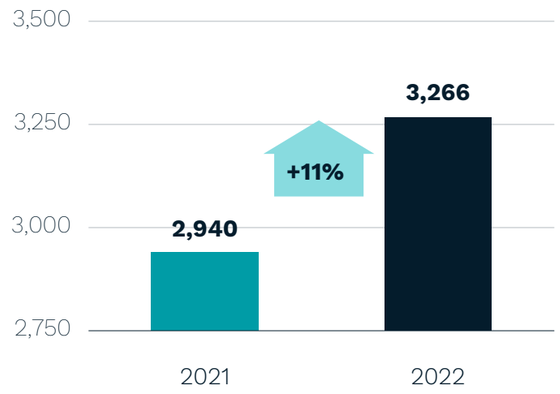
Building permits

Building permits are awarded by the municipal authorities.

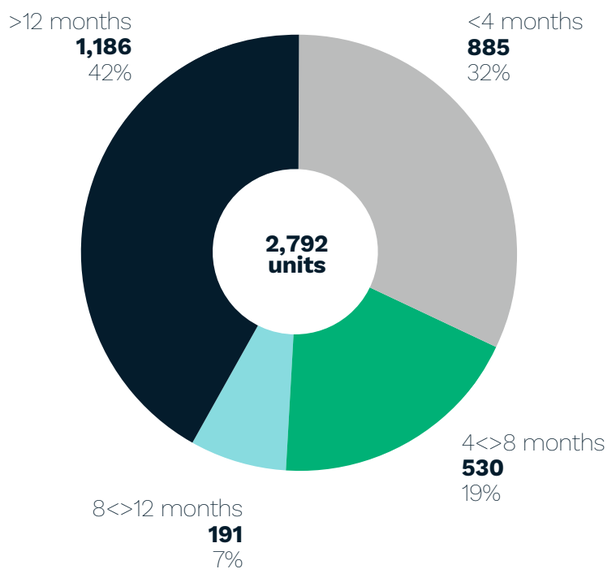
Permit applications include the architectural plans which must necessarily comply with municipal planning and zoning requirements. Municipal authorities are obliged to grant building permits to the extent the plans meet municipal regulatory requirements. The permitting period depends on each authority's responsiveness and can take anything from a few months to more than one year.

In FY 2022-23, the company obtained a total of 3,266 building permits, up 11% year-on-year. That means that the company has so far obtained building permits for 15,455 units in total, with a further 2,792 permits across 52 developments in process at 31 March 2023, of which 1,186 units (21 developments) are already 12+ months into the permitting process.

Trend in securing building permits



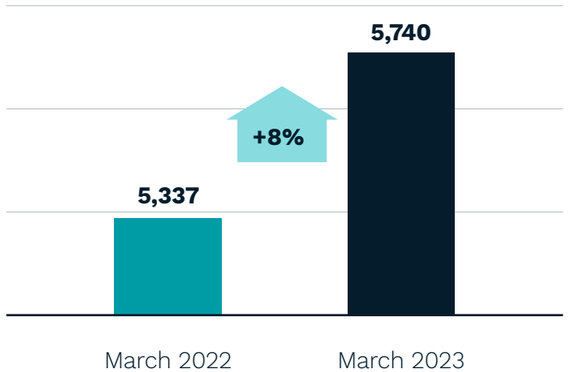
Building permit request status



Construction

The company broke ground on 3,362 units in FY 2022-23 and obtained work completion certificates for 2,959 units. At 31 March 2023, the company had a total of 5,740 units under construction, marking growth of 8% from the volume under construction 12 months earlier. In turn, it had 144 homes completed and pending receipt of the corresponding First Occupancy Certificates and another 757 units completed and with First Occupancy Certificates granted. In short, at 31 March 2023, the company had a total of 6,641 units under construction or completed, injecting significant visibility into its ability to achieve its deliveries guidance over the next two fiscal years.

Units under construction at year-end



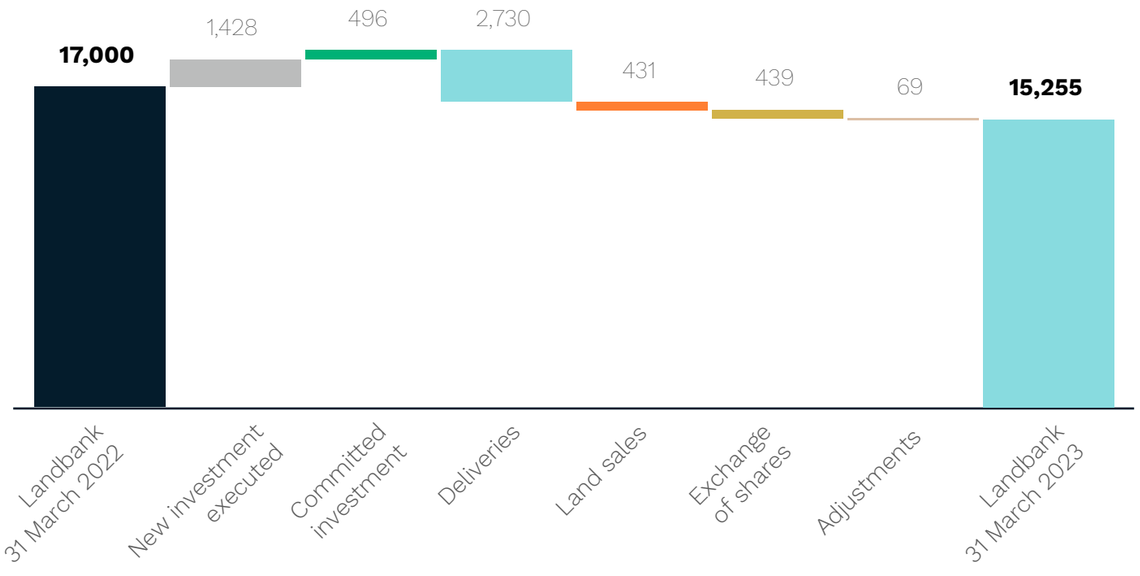
Land investment

The company identified and acquired land with development capacity of 1,428 units for €140 million in FY 2022-23. That figure includes the cost of acquiring the land, including the inherent transaction costs and the cost of the permitting steps needed to bring all of the sites to ready-to-build (RTB) status. Those new investments are focused on highly resilient pockets of demand. In some cases the company has arranged to defer some of the payments to boost the return on its investment.

The company also committed to an additional €58 million of investments (development capacity: 496 units); those agreements are expected to close in FY 2023-24.

Framed by its non-core asset turnover strategy, in FY 2022-23, the company sold 13 assets (development capacity: 431 units) for €30 million in total.

Landbank evolution





Jardines Hacienda Rosario Las Flores (Sevilla)



Tabies II (Granada)

Earnings performance

The statement of profit or loss for the fiscal year ended 31 March 2023 evidences the level of progress made on execution of the company's Business Plan: revenue increased by 20% year-on-year to €920 million. Of the total, €885 million was generated by the delivery of homes, €30 million from the sale of land and €5 million by the Real Estate Services line.

In FY 2022-23, the company delivered 2,730 homes (excluding the homes delivered by the Real Estate Services line). Of the total, 610 of the homes delivered (22.3%) were BTR units and accounted for 12.7% of revenue from the delivery of homes (€112 million out of €885 million in total), at a gross development margin of 19.1% (compared to a gross development margin of 27.8% on the delivery of the BTS units). The company's overall gross profit amounted to €236 million, which is equivalent to 26.7% of revenue (the margin was affected by: (i) the change in product mix, particularly a higher share of BTR deliveries; (ii) bonuses paid to construction companies for achieving early delivery milestones; (iii) additional costs derived from improvements made to the end product; (iv) ad-hoc material cost revisions in certain contracts; and (v) exceptional lawsuits).

Framed by its strategy of boosting shareholder returns, the company periodically analyses the status of its portfolio of land in order to identify sites which are not expected to be activated in the short or medium term and/or sites expected be less profitable to develop than the rest of its land bank on account of their location or soil type, among other factors. Any sites so identified are potential sale candidates if an interested buyer comes along.

As a result, in FY 2022-23, the company sold 13 non-core assets with development capacity of 431 units for €30 million in total. Those sales generated a gross profit of €2.4 million, equivalent to 8% of the sale proceeds.

Complementing its pure residential development business, since acquiring Áurea in July 2021, AEDAS Homes has been co-investing in certain opportunities and providing end-to-end value-added real estate services to different classes of customers so that they can carry out their real estate development activities efficiently and profitably and mitigate their risk by leveraging our experience, market know-how and execution capabilities. In FY 2022-23, our Real Estate Services line generated €5 million in revenue (+22% year-on-year) from the fees invoiced for the services provided to its various customers.

AEDAS Homes brought in €920 million in revenue in FY 2022-23



Plan VIVE Valdedebas (Madrid)

Note that the decrease in the Real Estate Services line's gross margin in FY 2022-23 (59% vs. 82% in FY 2021-22) is partly attributable to differing allocation of staff costs in both reporting periods: whereas in FY 2022-23, 100% of the staff costs accrued during the year attributable to this division were recognised as direct business costs, in FY 2021-22 those same costs were attributed as direct costs only between the Áurea acquisition date and 31 March 2022.

The gross profit generated from the delivery of homes, sale of land and by the Real Estate Services division therefore totalled €241 million in FY 2022-23 (+9% year-on-year), which is equivalent to 26.2% of total revenue.

Direct costs amounted to €45.2 million (+25% year-on-year): €33.3 million of sales and marketing costs (+13% year-on-year, due to growth in the number of units delivered and in the number of BTS developments put on the market) and €12.1 million of other operating expenses, a year-on-year increase of €5.3 million that is mainly attributable to higher taxes related with the company's developments as a result of the increased number of BTR units delivered in FY 2022-23 and also the mix of BTS units delivered (specifically, municipal capital gains tax and business tax).

The resulting net margin amounted to €196.1 million, equivalent to 21.3% of total revenue.

Overhead totalled €37.6 million (+7% year-on-year), shaped by implementation of the company's digital strategy and a higher average headcount (€23 million of total overhead relates to staff costs).

In addition, "Share-based payment transactions" increased by €1.4 million (or 41.3%) in FY 2022-23 to €4.8 million due to the company's long-term incentive plans.

EBITDA amounted to €155.5 million (+4% year-on-year). The EBITDA margin narrowed by 255 basis points from 19.5% in FY 2021-22 to 16.9% in FY 2022-23.

Nevertheless, in FY 2022-23, the company recognised a gain on strategic land holdings of €9 million following the restatement to fair value of sites acquired via the exchange of shareholdings in associates devoted to the management of strategic land in which the company held a minority interest. That means that those sites are now being carried at more than was paid to acquire them.

Gross profit came to €241 million (up 9%), which is equivalent to 26.2% of total revenue in FY 2022-23



Anzio (Pozuelo de Alarcón)

Adding that gain to the EBITDA generated (€155.5 million) yields an adjusted EBITDA figure of €164.2 million, which is 17.9% of total revenue (160 basis points lower than in FY 2021-22).

The company's net finance cost increased by 13% year-on-year to €22.4m, due mainly to higher borrowing costs associated with completed developments (those costs cannot be capitalised) and the drawdown of corporate debt whose cost is benchmarked against rates that climbed 389 basis points higher between April 2022 and March 2023.

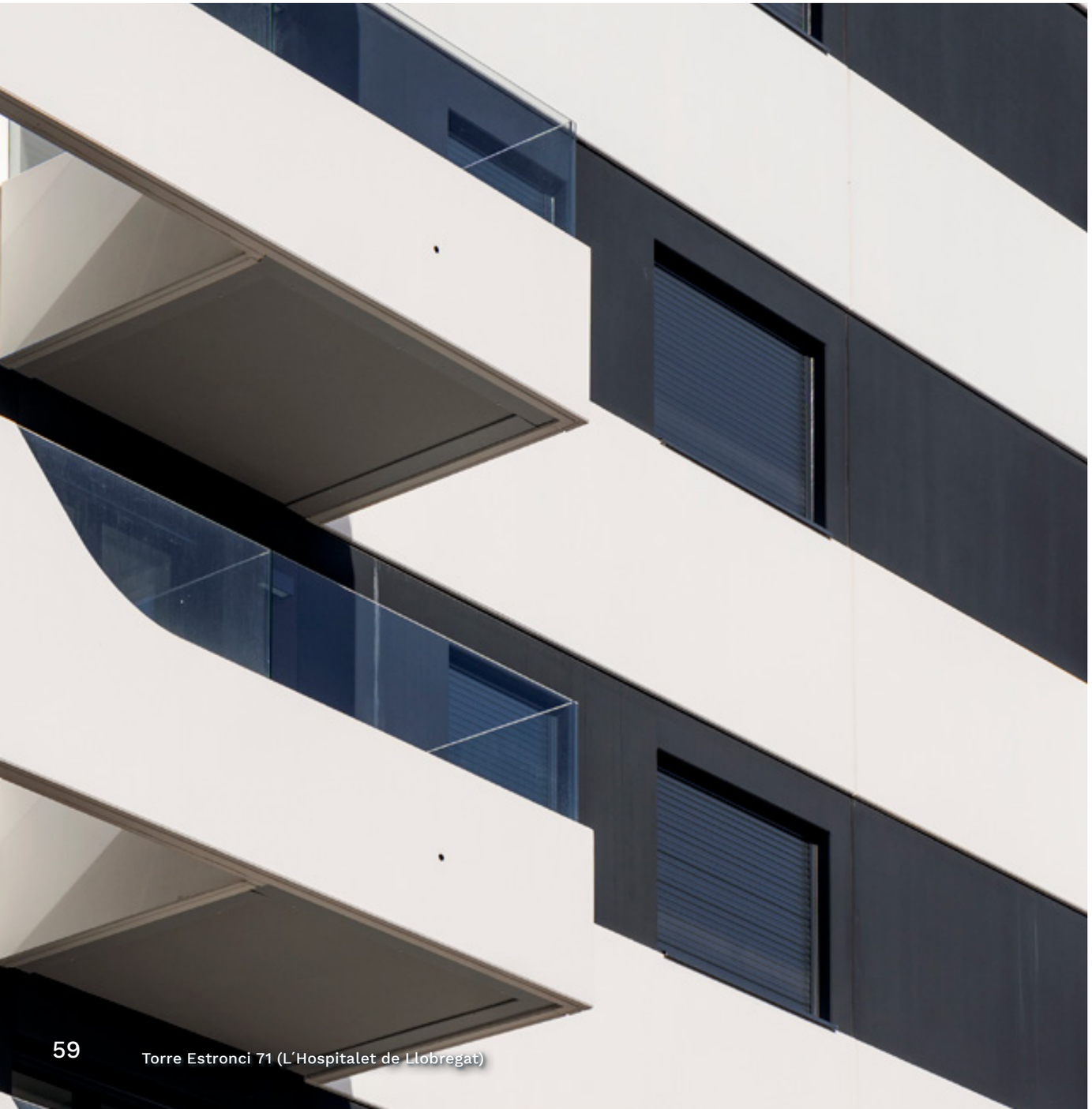
Lastly, after the company's share of its associates' profit, impairment losses, depreciation charges and the accrual of €32.1 million of income tax, the company generated profit attributable to owners of the parent of €105.1 million in FY 2022-23, evidencing the company's strong earnings momentum last year.

Consolidated statement of profit or loss

	FY 2022-23	FY 2021-22	Change €m	Change%
Revenue - Property development	884.6	746.7	137.8	18%
Revenue - Land sales	30.2	14.7	15.5	105%
Revenue - Services rendered	5.1	4.2	0.9	22%
Revenue	**919.8**	**765.6**	**154.2**	**20%**
Cost of goods sold	(676.4)	(542.6)	(133.8)	25%
Cost of services	(2.1)	(0.7)	(1.3)	179%
Gross profit	**241.3**	**222.3**	**19.1**	**9%**
Gross margin, %	26.2%	29.0%	-	(279bp)
Sales and marketing costs	(33.1)	(29.4)	(3.7)	13%
Other development operating expenses	(12.1)	(6.8)	(5.3)	79%
Net margin	**196.1**	**186.1**	**10.0**	**5%**
Net margin, %	21.3%	24.3%	-	(120bp)
Overhead	(37.6)	(35.3)	(2.3)	7%
LTIP	(4.8)	(3.4)	(1.4)	41%
Other income and expenses	1.7	1.5	0.3	17%
EBITDA	**155.5**	**148.9**	**6.6**	**4%**
EBITDA margin, %	16.9%	19.5%	-	(255bp)
Gain on revaluation of strategic land	8.7	-	8.7	-
Adjusted EBITDA [5]	**164.2**	**148.9**	**15.3**	**10%**
Adjusted EBITDA margin, %	17.9%	19.5%	-	(160bp)
Depreciation and amortisation	(4.8)	(3.2)	(1.6)	49%
Net finance cost	(22.4)	(19.8)	(2.6)	13%
Share of profit of associates	1.5	0.4	1.1	272%
Impairment losses	(1.3)	(1.3)	0.0	(3%)
Profit before tax	**137.4**	**125.0**	**12.3**	**10%**
Income tax	(32.1)	(31.1)	(0.9)	3%
Profit for the year	**105.3**	**93.9**	**11.4**	**12%**
Net profit margin, %	11.4%	12.3%	-	(82bp)
Non-controlling interests	(0.2)	(0.8)	(0.6)	(73%)
Profit attributable to owners of the parent	**105.1**	**93.1**	**11.9**	**13%**

[5] Adjusted EBITDA: defined as EBITDA plus the strategic land margin, which is defined as the adjustment to the market value of the plots acquired via an exchange of shares in associated companies which focus on managing strategic land and in which the Company held a minority stake.

AEDAS Homes generated net profit attributable to owners of the parent of €105 million in FY 2022-23, beating the previous year by 12%



Torre Estronci 71 (L´Hospitalet de Llobregat)

Balance sheet and cash flows

At 31 March 2023, AEDAS Homes was in good financial standing: nearly 75% of its land bank was active, leverage (net LTV ratio) was a healthy 14.2% and cash and cash equivalents stood at €245 million.

On the asset side:

The increase in inventories reflects: i) a 12% decrease in land to €567 million shaped by the company's sharp and selective land management strategy throughout the year and its ability to activate its land bank[6] very quickly (close to 90% has already obtained Ready-to-Build[7] permitting status, a strategy which helps lifts business profitability). Note that the company is focused on having a land bank that covers 5 years of developments; ii) growth of 18% in developments in progress to €794 million due to new work started net of work completed; iii) growth of 23% in finished product to €226 million shaped by progress on construction work leading to growth in the volume of units ready for delivery (144 units pending First Occupancy Certificates and 757 units already with those certificates); and iv) growth of 17% to €24 million in advances to suppliers, a heading which recognises the amounts paid for land purchase rights, of which €17m corresponds to the investment in Castellana Norte.

As a result, at 31 March 2023, inventories amounted to €1.61 billion, broken down between land (35.2%); construction in progress (49.3%); finished product (14.0%); and advances to suppliers (1.5%).

At 31 March 2023, the appraisal carried out by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. valued the company's portfolio of inventories (excluding advances to suppliers) at €2.09 billion.

In light of the appraiser's methodology, the key valuation hypotheses are the discount rate and sales prices modelled. As a result of the above, at 31 March 2023, the company recognised inventory impairment losses in its consolidated financial statements of €7 million (€6 million at 31 March 2022), while unrealised gains stood at €492 million (31 March 2022: €551 million).

Trade receivables, meanwhile, decreased by €21.7 million in FY 2022-23 to end the year at €42.9 million.

Lastly, unrestricted cash (including cash equivalents) increased by €13.0 million in FY 2022-23 to end the fiscal year at €198.7 million.

Equity accounts:

The movement in equity was driven by the €105.1 million of profit generated (+12% year-on-year), which translates into earnings per share of €2.42, offset by the dividends paid, underpinned by the company's firm shareholder remuneration commitment.

Specifically, in FY 2022-23, the company paid out a final dividend of €1.34 per share against FY 2021-22 profits (on top of the interim dividend paid out the previous year for a total dividend from FY 2021-22 profits of €2.16 per share). At the end of March 2023, it also paid out an interim dividend against FY 2022-23 profits of €1.00 per share. The company expects to pay a final dividend of €1.15 per share if the board's motion is ratified at the upcoming Annual General Meeting, scheduled for 20 July 2023, which would imply a total dividend from FY 2022-23 profits of €2.15 per share.

Elsewhere, at 31 March 2023, the company carried own shares representing 7.06% of the total at €63.9 million (1.8% of the company's shares were bought back under the repurchase programme, with the remaining 5.3% bought back under the discretionary management programme and via block trades).

Since 8 August 2019, the company has bought back a total of 4,582,705 shares, at an average price of €19.42 per share, implying a total outlay of €89 million, of which €9.9 million corresponded to FY 2022-23 (672,230 shares).

In June 2022, the company delivered 86,933 own shares, acquired for a total of €1.8 million, to its employees as part of the commitments assumed under the long-term incentive plan (LTIP).

Unrestricted cash increased by €13 million in FY 2022-23, closing out the fiscal year at €198.7 million

[6] Calculated in terms of GAV.

[7] In terms of the value of the company's land bank, namely its gross asset value (GAV), gleaned from the appraisal conducted by Savills Aguirre Newman Valoraciones y Tasaciones S.A. as of 31 March 2023, plus the investments committed to as of 31 March 2023 valued at the cost of bringing them to Ready-to-Build status.

Liabilities that mature in the long term:

In FY 2021-22, AEDAS Homes modified its financing structure when it issued €325 million of green bonds due August 2026; those bonds are listed on the Irish Stock Exchange's Global Exchange Market. This issue locked in a very attractive fixed rate of interest for a significant percentage of the company's long-term borrowings. The green bonds have an associated €55 million revolving credit facility, provided by banks. That change in the company's financing structure injects visibility in terms of credit ratings[8] and diversifies its sources of financing, increasing the company's exposure to long-term debt (90%) and to fixed rates (64%).

€319 million of non-current financial liabilities at amortised cost, carrying a fixed rate, corresponding to the green bonds issued in the capital markets. This issue has raised the company's profile and diversified its sources of financing.

Increase of €28.0 million in developer loan drawdowns to €132 million at year-end (stated at amortised cost).

Liabilities that mature in the short term:

- Customer down payments decreased by €21.5 million due to the high volume of deliveries consummated during the year.
- €33.5 million increase in trade payables to €218.5 million, reflecting the significant volume of developments in progress.
- €6.8 million increase in current financial liabilities corresponding to the commercial paper programme to €44.4 million at year-end (stated at amortised cost).

The variation in equity reflects the strong results achieved during the year and the company's firm commitment to remunerating its shareholders

[8] Corporate credit rating: S&P (B+), Moody's (Ba2) and Fitch (BB-). Green bond rating: S&P (BB-), Moody's (Ba2) and Fitch (BB). All ratings have a stable outlook.

Consolidated balance sheet

(€m)	31 Mar. 2023	31 Mar. 2022	Change €m	Change %
Other fixed assets	37.4	37.8	(0.5)	(1.2%)
Deferred tax assets	5.3	7.0	(1.6)	(23.7%)
Non-current assets	42.7	44.8	(2.1)	(4.7%)
Inventories	1,610.7	1,520.3	90.3	5.9%
Trade receivables	42.9	64.5	(21.7)	(33.6%)
Other current assets	28.0	29.0	(1.0)	(3.4%)
Unrestricted cash and cash equivalents	198.7	185.7	13.0	7.0%
Restricted cash	46.1	54.3	(8.3)	(15.2%)
Current assets	1,926.3	1,853.9	72.4	3.9%
Total assets	**1,969.0**	**1,898.7**	**70.3**	**3.7%**
Equity	969.6	976.3	(6.7)	(0.7%)
Of which: own shares	(63.9)	(55.9)	(8.0)	14.4%
Non-current borrowings	319.0	317.4	1.6	0.5%
Other non-current liabilities	2.8	1.2	1.6	131.3%
Deferred tax liabilities	0.3	0.3	0.0	0.0%
Non-current liabilities	322.0	318.9	3.1	1.0%
Development financing with long-term maturities	125.6	98.6	27.0	27.4%
Development financing with short-term maturities	6.4	5.4	1.0	18.5%
Commercial paper	44.4	37.5	6.8	18.4%
Trade payables	218.5	185.0	33.5	18.1%
Customer down payments	194.8	216.2	(21.5)	(9.9%)
Other current liabilities	87.7	60.7	26.9	44.4%
Current liabilities	677.3	603.5	73.8	12.2%
Total equity and liabilities	**1,969.0**	**1,898.7**	**70.3**	**3.7%**

Statement of cash flows

Cash and cash equivalents increased by €4.7 million in FY 2022-23 from €240 million at the start of the fiscal year to €244.7 million at year-end. That movement is attributable to net cash outflows from operating activities of €20.2 million, net cash inflows from investing activities of €4.1 million and net inflows from financing activities of €20.8 million.

The outflows from operating activities were mainly attributable to the €90.3 million increase in inventories, the €22.7 million decrease in trade receivables and other current assets and the €21.5 million decrease in customer down payments.

The €4.1 million of net cash from investing activities was mainly the result of the repayment of intragroup loans.

The €20.8 million of net cash from financing activities stemmed mainly from the drawdown of developer loans and the issuance of commercial paper. Under the scope of the new Commercial Paper Programme, renewed in June 2022, the company issued €155.1 million in FY 2022-23 and repaid €148.5 million, leaving an outstanding balance of €44.7 million due on several dates between the reporting date and June 2024.

AEDAS Homes had mortgage financing arranged over a total of 98 developments with an aggregate limit of €628.9 million, of which it had drawn down €130 million as of the March 2023 reporting date

Developer loan

Financial entity	Formalised amount (€m)
Cajasur	25.8
Iberia Private Real Assets Credi, SCSp	67.3
Unicaja	19.0
Sabadell	153.9
BBVA	149.2
Abanca	11.1
La Caixa	19.2
Santander	82.7
Kutxabank	48.5
Targobank	12.5
Bankinter	13.5
Ibercaja	26.2
Total	**628.9**

As for its development financing, at 31 March 2023, the company had arranged mortgage financing (excluding land financing) over a total of 98 developments with an aggregate limit of €628.9 million. Of that authorised limit, it had drawn down €130.0 million as of the reporting date (excluding €93.5 million drawn down on behalf of development buyers).

As for the cash outflows in FY 2022-23, it is important to note the net amount of €9.9 million spent on buying back own shares and the payment of €102.7 million in dividends, of which €43.5 million correspond to an interim dividend from FY 2022-2023 profits.

Investment volumes

(€m)	31 Mar. 2023	31 Mar. 2022	Change
Consolidated profit before tax	**137.4**	**125.0**	**12.3**
Adjustments for finance income/costs	**22.4**	**19.8**	**2.6**
Net finance cost	45.4	31.6	13.8
Borrowing costs capitalised in inventories	(23.5)	(11.8)	(11.7)
Change in fair value of financial instruments and exchange differences	0.5	0.0	0.5
Share of profit of associates	**(1.5)**	**(0.4)**	**(1.1)**
Impairment of inventories	1.3	1.3	0.0
EBIT	**159.5**	**145.7**	**13.7**
Depreciation/amortisation and impairment charges	4.8	3.2	1.6
Adjusted EBITDA	**164.2**	**148.9**	**15.3**
Other adjustments to profit	1.5	3.5	(1.9)
Other cash used in operating activities	(46.8)	(28.2)	(18.6)
Change in working capital excluding land purchases/sales	(17.7)	55.4	(73.0)
Change in working capital derived from land purchases/sales	(121.5)	(169.7)	48.2
(A) Net cash (used in)/from operating activities	**(20.2)**	**9.9**	**(30.1)**
Investments in group companies and associates	(13.8)	(55.0)	41.2
Investment in other PP&E and intangible assets	(5.9)	(2.9)	(3.0)
Investments in other financial assets	(17.0)	(7.4)	(9.6)
Proceeds from the sale of investments in group companies and associates	26.1	2.4	23.7
Proceeds from the sale of other financial assets	14.7	20.5	(5.9)
(B) Net cash from/(used in) investing activities	**4.1**	**(42.4)**	**46.5**
Repurchase/sale of own shares	(9.9)	(14.2)	4.3
Issuance and repayment of borrowings	133.3	198.8	(65.5)
Dividends and payments on other equity instruments	(102.7)	(98.3)	(4.3)
(C) Net cash from financing activities	**20.8**	**86.3**	**(65.5)**
Net increase in cash and cash equivalents (A+B+C)	**4.7**	**53.9**	**(49.1)**

Investment allocated to the buying back of own shares came to €9.9 million

Borrowings

At 31 March 2023, the company's gross financial liabilities (stated at amortised cost) stood at €495.3 million, made up essentially of €130.3 million of developer loans and land financing; €1.7 million of unsecured debt financing projects for institutional investors; and €363.4 million of corporate debt (€44.4 million via commercial paper and €319.0 million via the green bonds issued in 2021).

Net debt increased by €23.4 million in FY 2022-23 to €296.7 million, due mainly to the €25.9 million increase in developer loan drawdowns as a result of the growth in the volume of units under construction. Cash, meanwhile, increased by €4.7 million. As a result, the company's net LTV and net LTC ratios ended March 2023 at 14.2% and 18.4%, respectively, healthy levels that permit the distribution of an extraordinary dividend.

As for the debt maturity profile, it is worth pointing out that most of the company's current liabilities consist of loans that mature in the long term (€125.6 million, stated at amortised cost), specifically developer loans, land financing and financing tied to BTR developments, in addition to the company's short-term loans (€44.4 million of MARF-listed commercial paper and €6.4 million of developer loans and land financing due in the short term, all stated at amortised cost). Non-current liabilities comprise the green bonds issued in 2021, which are carried (at amortised cost) at €319.0 million. As a result, 90% of the company's total borrowings (at amortised cost) fall due in the long term.

The snapshot of the company's financial structure reveals a diversified mix of sources of financing and lenders, so that its financial risk is not concentrated.

At the March 2023 close, the average borrowing cost (on drawn borrowings) was 4.46% (up 85bp year-on-year due in part to the increase in benchmark rates of 389bp between 1 April 2022 and 31 March 2023). If the company were to draw down the entire limit (i.e., an additional €460.5 million), its borrowing cost would be 4.76% and the average cost of its development financing would be 6.43%.

Financial leverage

(€m)	At 31 March 2023	At 31 March 2022
Net debt (€ m)	296.7	273.3
Net LTC	18.4%	18.0%
Net LTV	14.2%	13.2%
Net debt/EBITDA	1.9x	1.8x

Evolution of net financial debt

(€m)	31 march 2023	31 march 2022	Change
(A) Development financing	134.0	106.3	27.7
(B) Corporate debt	369.7	363.1	6.6
Commercial paper (MARF-listed)	44.7	38.1	6.6
Green bonds issued in 2021	325.0	325.0	-
(C) Financial liabilities at amortised cost	(8.4)	(10.4)	2.0
(D) Gross debt (A + B + C)	495.3	459.0	36.4
(E) Unrestricted cash	198.7	185.7	13.0
Net debt before down payments (D - E)	296.7	273.3	23.2
(F) Cash tied to down payments	46.1	54.3	(8.3)
(G) TOTAL CASH (E+F)	244.7	240.0	4.7
(H) Revolving credit facility	55.0	55.0	0.0
TOTAL LIQUIDITY (G+H)	**299.7**	**295.0**	**4.7**

The snapshot of the company's financial structure reveals a diversified mix of sources of financing and lenders, so that its financial risk is not concentrated

Asset valuation

At 31 March 2023, the company measured the realisable value of its inventories, understood as their estimated sale price less all of the estimated costs necessary to complete their construction. The fair value of its real estate asset portfolio was determined on the basis of appraisals performed by independent experts (Savills Aguirre Newman Valoraciones y Tasaciones, S.A.), excluding prepayments to suppliers. Those appraisals calculate fair value primarily using the dynamic residual method for land and the discounted cash flow method for developments in progress and finished developments, in keeping with the Valuation and Appraisal Standards published by the Royal Institute of Chartered Surveyors (RICS) of Great Britain, and the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC).

At 31 March 2023, the appraisal carried out by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. valued the company's portfolio of inventories (excluding advances to suppliers) at €2.09 billion.



Zeta Valley (Málaga)

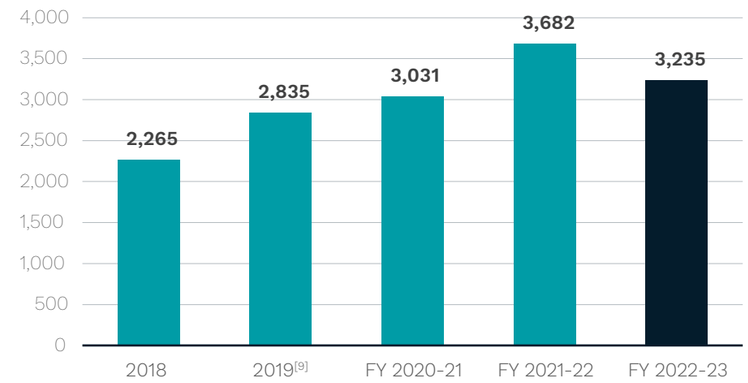


Nisart (Sitges)

Key performance indicators

More information about Alternative Performance Measures (APM) is available on the AEDAS Homes webpage for Investors, in the Investors Kit subsection (May 2023 Key Alternative Performance Measures).

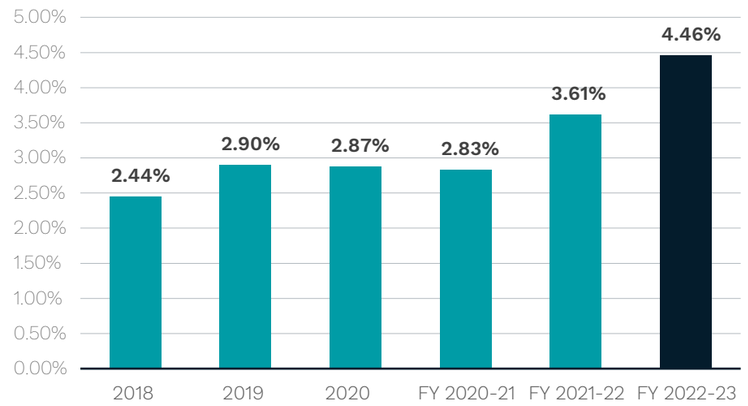
Units put on the market



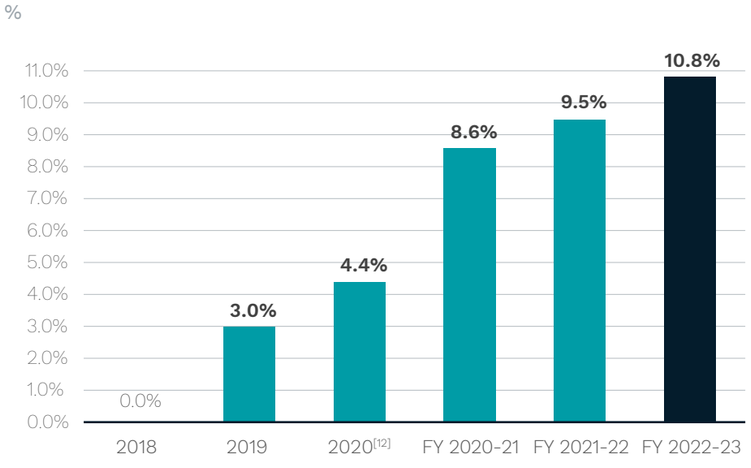
Dividend distribution

Fiscal year	FY 20-21	FY 21-22	FY 22-23[10]	FY 23-24	FY 24-25	FY 25-26
Dividend per share (€)	1.40	2.16	2.15	50% of net income + extraordinary dividend		
Total dividend (€m)[11]	62.2	95.2	93.5			

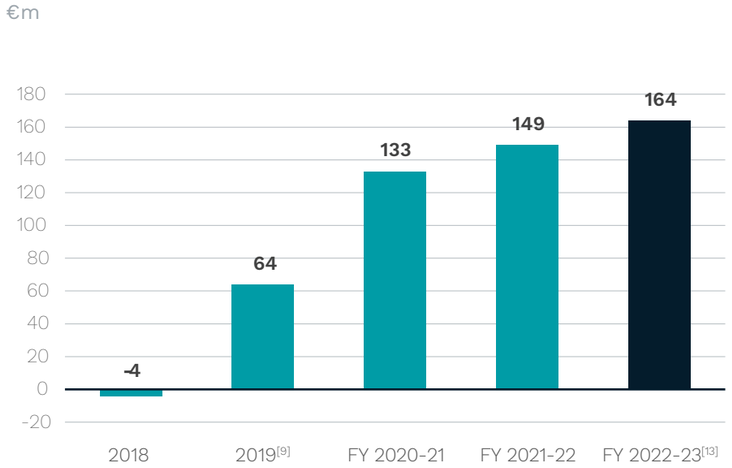
Average nominal cost of funding



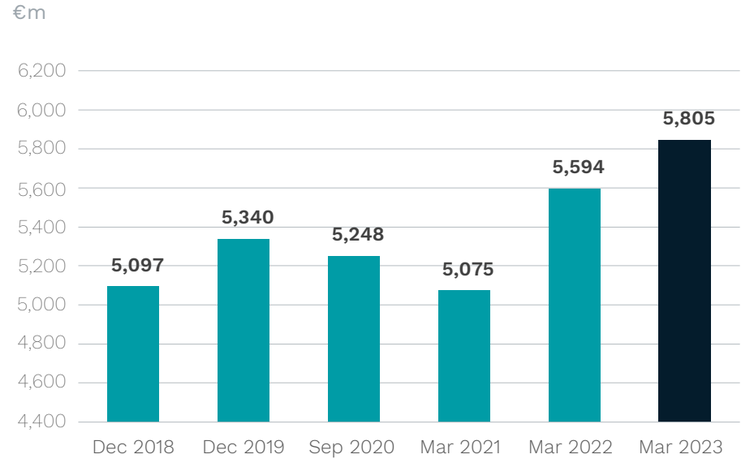
Return on Equity



EBITDA



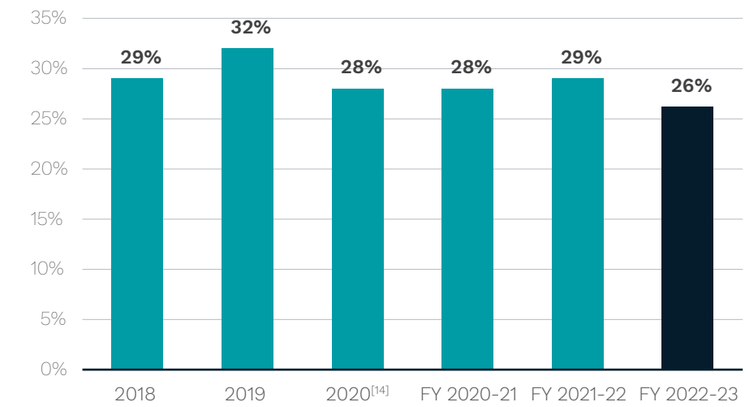
Gross Development Value (GDV)



[9] Here data in FY 2019 includes the activity that corresponds to FY 2020, which was a short period of 3 months ending 31 March 2020.
[10] Subject to approval at the Annual General Meeting.
[11] Treasury shares do not receive dividends.
[12] FY 2020 corresponds to a short period of 3 months ending 31 March 2020.
[13] Adjusted EBITDA.

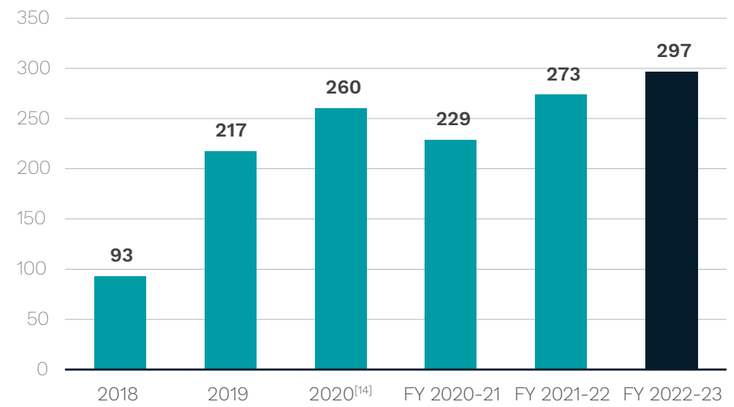
Gross margin

%



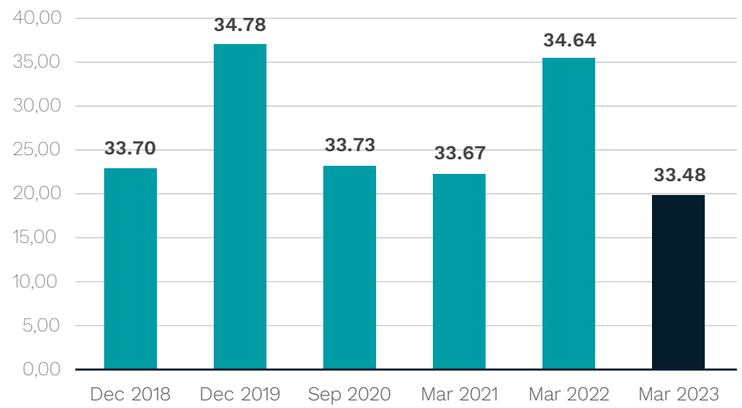
Net financial debt

€m



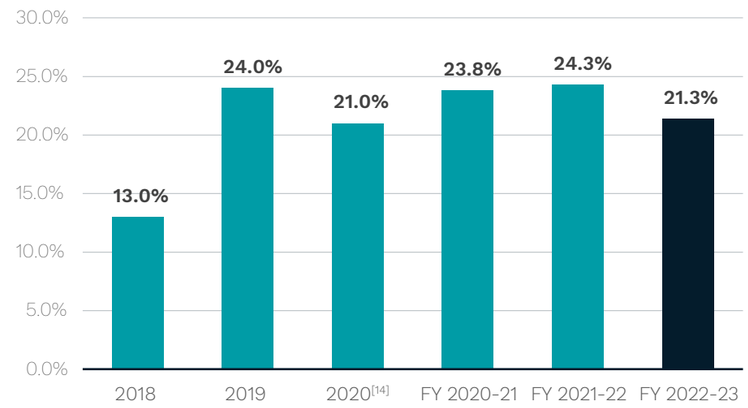
Net Asset Value (NAV)[15]

€/share



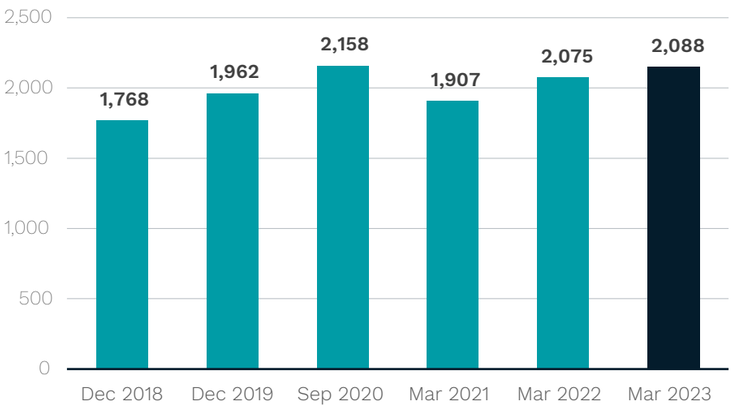
Net margin

%



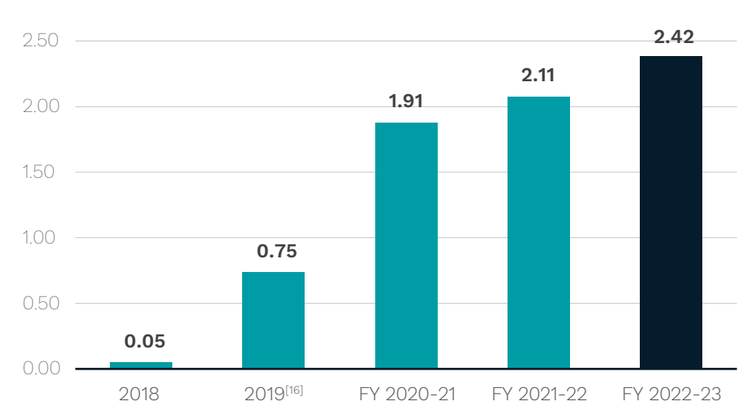
Gross Asset Value (GAV)

€m



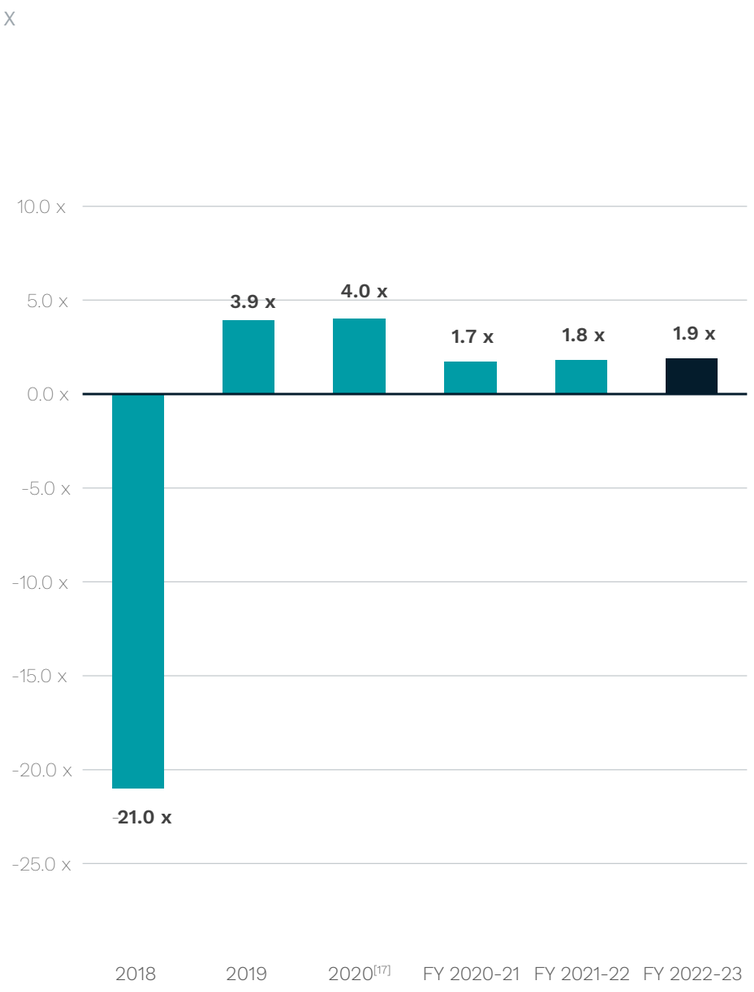
Diluted earnings per share

€

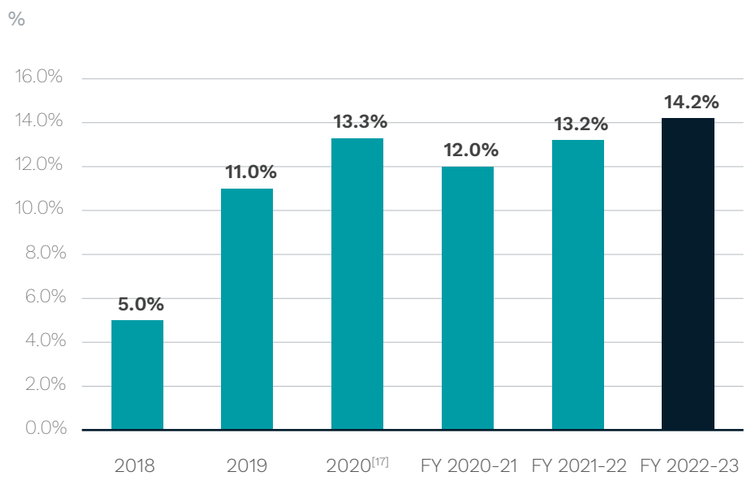


[14] FY 2020 corresponds to a short period of 3 months ending 31 March 2020.
[15] NAV per share calculation excludes 3,305,632 own shares in March 2023; 2,720,335 treasury shares in March 2022; and 3,325,249 in March 2021.
[16] Here data in FY 2019 includes the activity that corresponds to FY 2020, which was a short period of 3 months ending 31 March 2020.

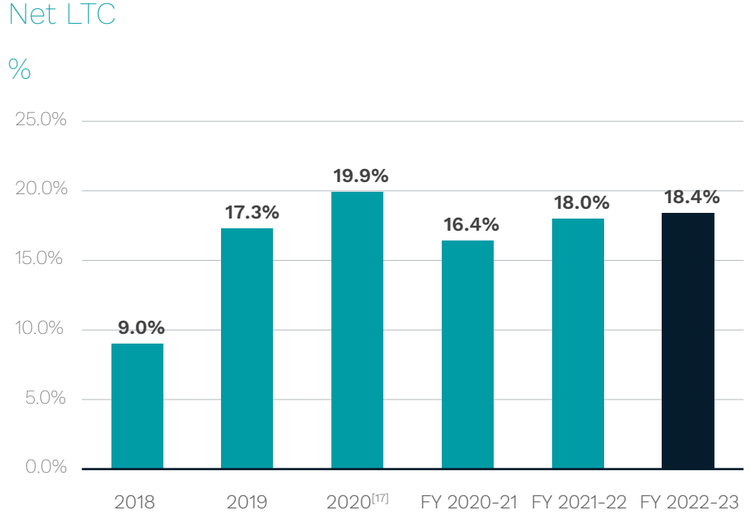
NFD / EBITDA



Net LTV



Net LTC



[17] FY 2020 corresponds to a short period of 3 months ending 31 March 2020.

A year creating value together

Stakeholder engagement

Our shareholders, key support for our business

Our customers, our inspiration to innovate

Our professionals, the talent driving our growth

Our suppliers, allies in our sustainable construction bid

Our contribution to community development

Torre Estronci 71 (L´Hospitalet de Llobregat)

Stakeholder engagement

Here at AEDAS Homes, we are spearheading the residential development sector's sustainability transition with the financial support of our shareholders and valuable input from the rest of our stakeholders. We see them as co-creators of our value proposition, which is why it is essential to reach out to them consistently so as to boost our positive impact on society and our natural surroundings.



Escalonia III (Las Rozas)

We have identified seven stakeholder groups that contribute to our business development and by the same token are influenced by it: shareholders, customers, employees, suppliers, public administrations, institutions and society.

Certain that our long-term viability depends largely on satisfying their legitimate interests, we involve our stakeholders in our decision-making by means of constant dialogue through a range of channels. Thanks to those mechanisms, which are fully integrated into our management system, our stakeholders can request and receive information and make suggestions about how things could be done better.

This Integrated Annual Report is good example of our participative approach: it was drawn up considering the matters deemed relevant by our stakeholders based on a materiality assessment carried out in 2021.

Engaging with our stakeholders

Investors and shareholders

Goal

Generating value via shareholder remuneration

Communication channels

- Annual General Meeting
- Shareholders & Investors section of our corporate website
- Investor relations contact points (phone, email, website)
- Webcasts
- Roadshows
- Quarterly/annual reports

Customers

Goal

Creating happy places to live by building sustainable homes conducive to generating wellbeing

Communication channels

- Customer portal
- Customer management contact points (phone, email, website, call centre and points of sale).
- Customer satisfaction surveys (online and by phone)
- Agents whose job is to identify and monitor customer needs
- Corporate website

Employees

Goal

Providing an attractive and safe place where they can further their careers and strike a good work-life balance underpinned by the provision of equal opportunities

Communication channels

- Job portal
- General contact points (phone, email, website)
- Informal horizontal and vertical communication channels
- Corporate website
- Surveys
- Whistleblowing Channel
- Suggestion box

Suppliers

Goal

Partnering to build innovative, quality and future-looking housing

Communication channels

- Promociona supplier management platform
- General contact points
- Corporate website
- Surveys
- Annual event with architects

Public administrations

Goal

Collaborating lawfully with as needed

Communication channels

- General contact points
- Corporate website
- Government portals

Society

Goal

Contributing to economic development in our local communities, fostering affordable housing and driving sector transformation

Communication channels

- Corporate website
- Participation in sector forums and associations
- Collaboration with universities and associations
- Social media
- Press releases
- Forums and gatherings

Institutions

Goal

Supporting the sector in the transition to a sustainable economy

Communication channels

- General contact points (phone, email, website)
- Institutional portals
- Corporate website
- Surveys



Milestones

- Motion to pay out a dividend of up to €94 million, equivalent to ~90% of net profit, subject to approval by the Board of Directors and then by our shareholders at the Annual General Meeting.
- Rollover of the share buyback programme for up to €50 million or 2.5 million shares.
- Proposal for a reduction in capital through the amortisation of own shares, equivalent to 6.6% share capital.
- Named Best IR Team (Small Cap-Spain) for 2022 at the Iberian Equity Awards, organised by AERI (Spanish Association of Investor Relations), based on a global survey of financial professionals conducted by *Institutional Investor*.

Bassi (El Masnou)

Our shareholders, key support for our business

Our shareholders are the underpinnings of our business, providing the financial boon needed to transform and catalyse the home development sector in Spain. That is why we focus our management on strategies and initiatives designed to create value in the long term that help protect and maximise returns for our shareholders. We are constantly enhancing the information we report, disclosing recurring, transparent, objective and accurate information that helps them form an independent opinion and round out their knowledge of our business performance and prospects.

Shareholder structure

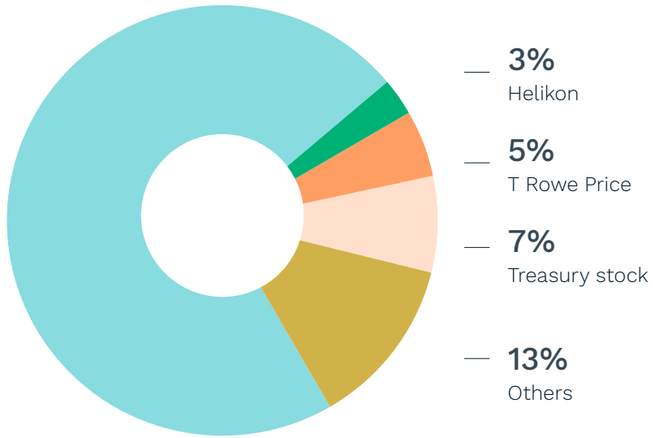
At 31 March 2023, AEDAS Homes' share capital comprised **46,806,537 ordinary shares**, each with a par value of €1, of the same class, fully subscribed and paid in, and all carrying the same voting and dividend rights.

AEDAS Homes' shares have been traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since October 2017, with a market value at 31 March 2023 of €609 million. Since March 2018, AEDAS Homes' shares have been part of the IBEX Small Cap index, a composite equity index compiled by Bolsas y Mercados Españoles (BME) encompassing the small-cap companies listed on Spain's four stock exchanges that trade through the electronic trading platform (SIBE for its acronym in Spanish).

According to the most recent information reported to the Spanish securities market regulator, the CNMV, the company's core shareholder is the US fund, Castlelake, through Hipoteca 43 Lux S.à.r.l., which holds 72% of the shares outstanding, followed the company itself, holding 7% of total outstanding shares treasury stock, T. Rowe Price Associates Inc., with a 5% ownership interest, and Helikon Long Short Equity Fund Master ICAV, an investor which maintains a total position equivalent to 3% of shares outstanding.

The remaining 13% of the company's shares are in the hands of over 2,000 shareholders. In short, a very significant percentage of our shares is in the hands of institutional investors (around 96%), the large majority of which are international investors (specifically, 87%).

Shareholder structure



Own shares

At 31 March 2023, AEDAS Homes held **3,305,632 own shares,** equivalent to 7.06% of its share capital.

The main developments in FY 2022-23 were the following:

- In July 2022, AEDAS Homes approved its third share buyback programme, following on from those initiated in 2019 and 2020. The new programme, which started on 27 September 2022 and runs for 36 months, contemplates the buyback of up to €50 million and no more than 2.5 million shares, which is equivalent to 5.34% of share capital, with three potential uses: (i) cancellation; (ii) coverage of the company's financial obligations under its convertible bonds; or (iii) delivery to employees under the umbrella of the long-term incentive plan for senior management and key employees.
- In FY 2022-23, AEDAS Homes delivered 86,933 own shares to employees , fulfilling the commitment under the long-term incentive plan (LTIP) for its Senior Management Team and other key employees.
- Also during the reporting period, AEDAS Homes repurchased a total of 672,230 shares (of which, 73% correspond to the share buyback programme) at an average price of €14.64 per share, implying a total investment of €10 million.

The movements in own shares in FY 2022-23 are broken down in the table below:

	Purchased	Cancelled	LTIP	Total
Balance sheet at 1 April 2022				**2,720,335**
1Q 2022	23,337	-	(86,933)	(63,596)
2Q 2022	98,499	-	-	98,499
3Q 2022	243,372	-	-	243,372
4Q 2022	307,022	-	-	307,022
Balance sheet at 31 March 2023				**3,305,632**
Percentage of total outstanding				7.06%

Shareholder remuneration

In FY 2021-22, following approval of the Shareholder Remuneration Policy, we committed to paying out at least 50% of our net profit in dividends, with scope for topping that ordinary dividend up by an extraordinary dividend to the extent the additional payment does not push the net loan-to-value (LTV) ratio above 20%.

In FY 2022-23, the company paid out a total of €103m (€59m corresponding to FY 2021-22 earnings and €44m by way of interim dividend against FY 2022-23 profits).

At the company's upcoming Annual General Meeting, the AEDAS Homes Board of Directors will submit a motion for the distribution of a dividend of up to €94 million from FY 2022-23 earnings, of which €44 million (€1.00 per share) was already paid out on 31 March 2023.

That total dividend, if ratified, would imply a payout ratio of ~90% of net profit for FY 2022-23.

	FY 2020-21	FY 2021-22	FY 2022-23
Payout ratio	79%	102%	~90%
Interim	€0.90/share	€0.82/share	€1.00/share
Final	€0.50/share	€1.34/share	€1.15/share
Total dividend	€62m	€95m	€94m

Additionally, at the upcoming Annual General Meeting, the AEDAS Homes Board of Directors will propose a capital reduction for an amount equivalent to €3,106,537 through the redemption of 3,106,537 treasury shares acquired under the company's Share Buyback Programme. This capital reduction, which will not entail a return to shareholders as it involves the amortisation of shares owned by the company itself, will mean an increase in earnings per share and, therefore, in shareholder profitability.

Admission into Ibex Top Dividend index

In light of the company's healthy shareholder remuneration, having delivered a dividend yield of 15.67% in 2022 based on the closing price of 30 December 2022, the BME Group's Technical Advisory Committee decided on 26 July 2023 to include AEDAS Homes in its Ibex Top Dividendo index. That index tracks the 25 companies from the Ibex-35, Ibex Medium Cap and Ibex Small Cap indices offering the highest dividend yields.



Show Office Zeta Valley (Málaga)

Comparativa vs. IBEX 35 y EPRA

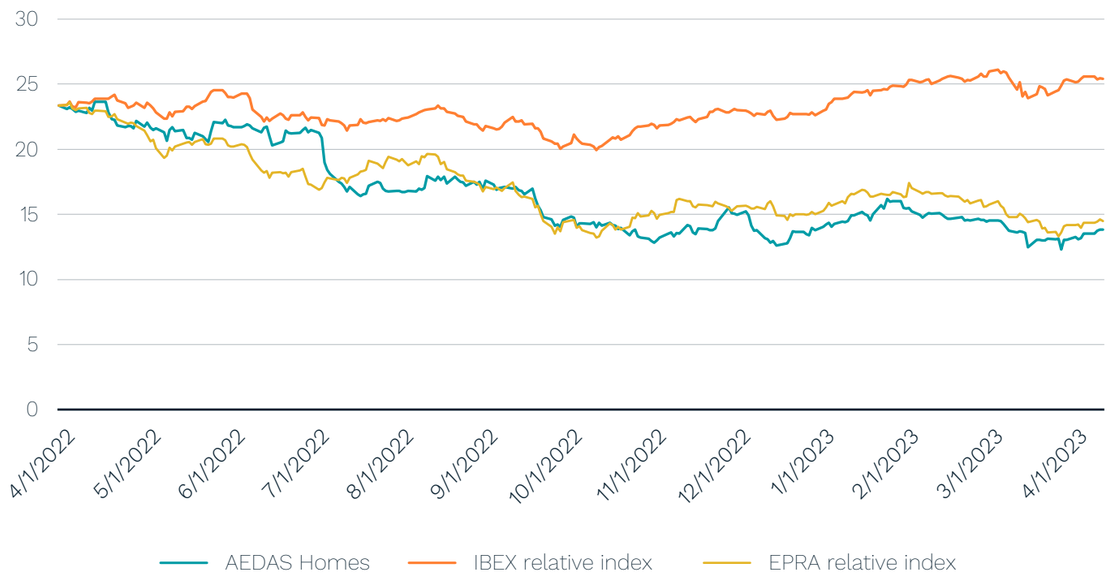
Share price performance

AEDAS Homes' share price ended 31 March 2023 at €13.02, down 43% year-on-year from the closing price on 31 March 2022 (€23.00/share), implying a discount to NAV of 61% (€33.48/share) at 31 March 2023.

The average daily trading volume in AEDAS Homes' shares was 25,000 in FY 2022-23 (down 31% year-on-year). In FY 2022-23 as a whole, 6,429,069 of the company's shares, equivalent to 14% of the total, traded hands (down 32% from the total volume traded in FY 2021-22).

Share price performance

VS. IBEX 35 and EPRA



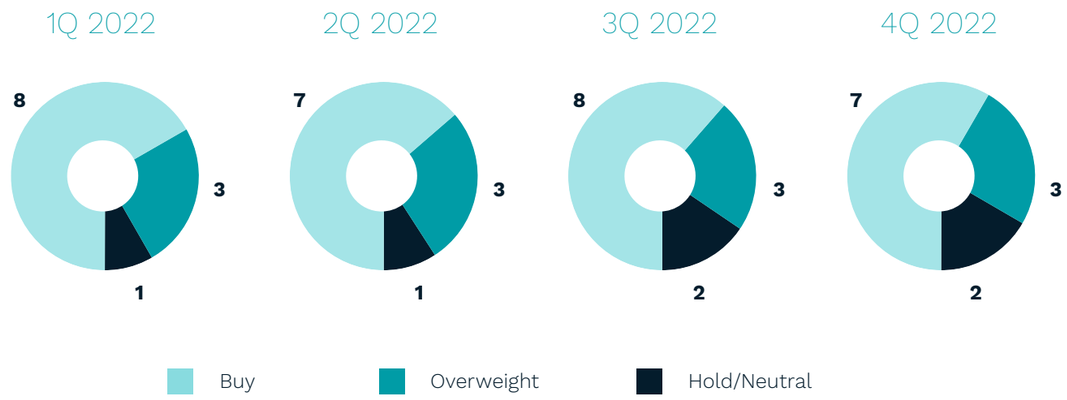
Stock market data

	FY 2020-21	**FY 2022-23**
Number of shares at 31 March	46,806,537	**46,806,537**
Share price at 31 March (€)	23,0	**13.0**
High for the year	28.60	**25.70**
Low for the year	19.32	**12.32**
Market capitalisation at 31 March (€ m)	1,077	**609**
Average daily trading volume (000 shares)	36,000	**25,000**

On 31 March 2023, AEDAS Homes' share price closed at €13.02, implying a discount to NAV of 61%

Nevertheless, the 12 research analysts covering AEDAS Homes see upside in the company's share price underpinned by its business fundamentals. Their average target price is €21.82 per share, which is 68% above the closing price of 31 March 2023, with buy or overweight recommendations widespread among the pool of analysts.

Recommendations throughout FY 2022-23



The 12 research analysts covering AEDAS Homes see upside in the company's share price, with an average target price of €21.82 per share, 68% above the closing price at 31 March 2023, with buy or overweight recommendations widespread

Analyst target prices and recommendations

Brokerage	Date last updated	Recommendation
ALANTRA EQUITIES	10 January 2023	**Buy**
BESTINVER	14 December 2022	**Buy**
CAIXA-BPI	23 January 2023	**Buy**
CITI	7 November 2022	**Neutral**
GOLDMAN SACHS	15 December 2021	**Buy**
JB CAPITAL	16 February 2023	**Buy**
KEPLER CHEUVREUX	4 November 2022	**Buy**
MIRABAUD	6 February 2023	**Hold**
ODDO BHF	1 December 2022	**Overweight**
RENTA 4	14 December 2022	**Hold**
SABADELL	14 June 2022	**Buy**
SANTANDER	7 December 2022	**Overweight**
Average		**€21.82**

Benchmark indices

In addition to the Ibex Small Cap and Ibex Top Dividend indices, mentioned above, AEDAS Homes' shares are traded in the following benchmark indices:

- **EPRA Developers Research Benchmark**

  This is a non-commercial benchmark, designed in 2022 to allow its constituents, major developers, to assess themselves against each other. AEDAS Homes is one of its 29 European constituents. Those developers had an aggregated market capitalisation of €59.6 billion at the time of its creation.

Engagement with shareholders and investors

We strive to communicate constantly, transparently, comprehensively and accurately with our shareholders, framed by the principles and channels established in our **Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors.**

AEDAS Homes guarantees access to equal information for all via our corporate website (www.aedashomes.com). Under the "Shareholders & Investors" tab, interested parties can find the Investor Kit and Agenda, corporate presentations and information about the company's financial and share price performance and corporate governance, all of which in keeping with its requirements under Spanish securities market law.

Shareholder communication principles

Honesty



Transparency



Responsibility



Investor Relations Department

AEDAS Homes' IR Department is tasked with engaging with the financial community. Any investor with an interest in the company may contact the IR team at the following address:

Investor Relations

investor@aedashomes.com

Paseo de la Castellana 130, 5th Floor

Madrid, Spain

T. +34 917 880 000

One of the IR Department's jobs is to disseminate the information required under securities market law and facilitate all shareholders' right to be informed about, attend and participate at the Annual General Meeting (AGM).

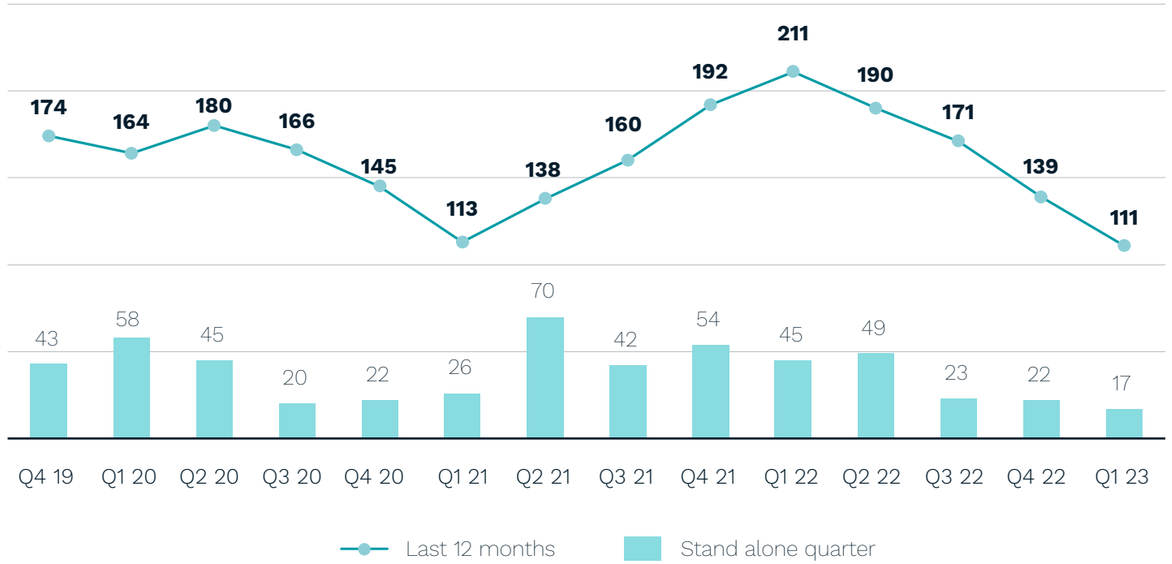
To that end it reaches out to institutional investor proxy advisors to make sure that any voting recommendations they issue are as informed as possible.

Every quarter, the IR Department presents the investor community with a report prepared with input from the Finance Department providing updates about the company's business and financial performance, among other things. The company presents that report to the market by organising an earnings conference call, duly announced to the market as a price-sensitive notice, so ensuring that all interested parties have equal access to the relevant information.

In addition to its quarterly earnings reports, the IR Department participates in events and meetings organised to inform investors and analysts about the various matters of interest. The topics that came up most often were economic and financial in nature, including business performance updates, how the company is faring in the current climate of high inflation and rising interest rates, the profile of our customers, our share price performance, movements in our shareholder ranks, how we generate cash flow, the company's capital structure (especially the terms of the Green Bonds) and organic and M&A-led growth opportunities.

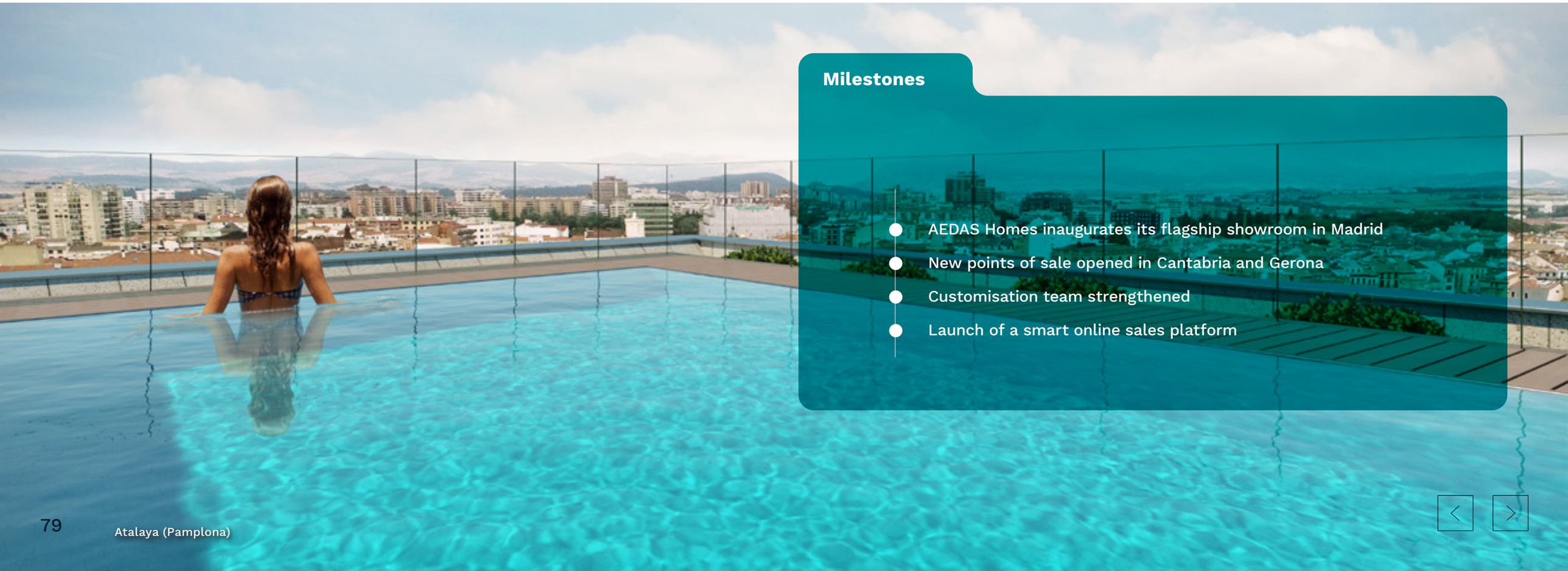
Those events also address ESG topics, specifically including matters related with affordable housing, building offsite, obtaining energy efficiency certifications and the company's sustainability measures being implemented.

Meetings with Investors



Our customers, our inspiration to innovate

We innovate to make our customers' lives better by offering them comfortable, sustainable and quality homes suited for their chosen style or stage of life. To understand their needs, we use active listening tools based on smart data analysis and we work tirelessly to improve our housing proposition and their experience as buyers.



Milestones

- AEDAS Homes inaugurates its flagship showroom in Madrid
- New points of sale opened in Cantabria and Gerona
- Customisation team strengthened
- Launch of a smart online sales platform

Atalaya (Pamplona)

Our customer approach

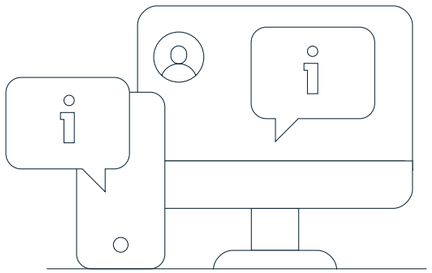
We offer our customers an omnichannel experience. That means they can visit our website, request information about our developments through our call centre, take a virtual tour of their future homes using the Live Virtual Tours platform or go to one of our points of sale to get assistance from one of our sales agents.

In FY 2022-23, we set up an exclusively online alternative sales channel.

In FY 2022-23, we set up an exclusively online alternative sales channel.

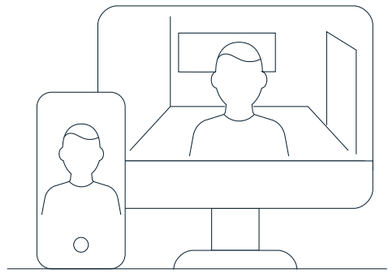
Omnichannel strategy

Phone assistance and Private Customer Area



We have a specialised and centralised team that handles requests for information submitted either by phone or through our Private Customer Area, the latter being the most popular among our potential customers. Last year, we fielded 15,634 enquiries throughout the entire customer journey; they were resolved within 2.4 days on average.

LIVE Virtual Tours platform



This innovative platform allows a potential buyer to connect live with a sales advisor who can resolve any questions while 'walking' them virtually through the development and its grounds, showing them the various rooms and finishes on offer. The LIVE team conducted a total of 140 virtual tours with customers and created six new experiences in FY 2022-23.

Sales network

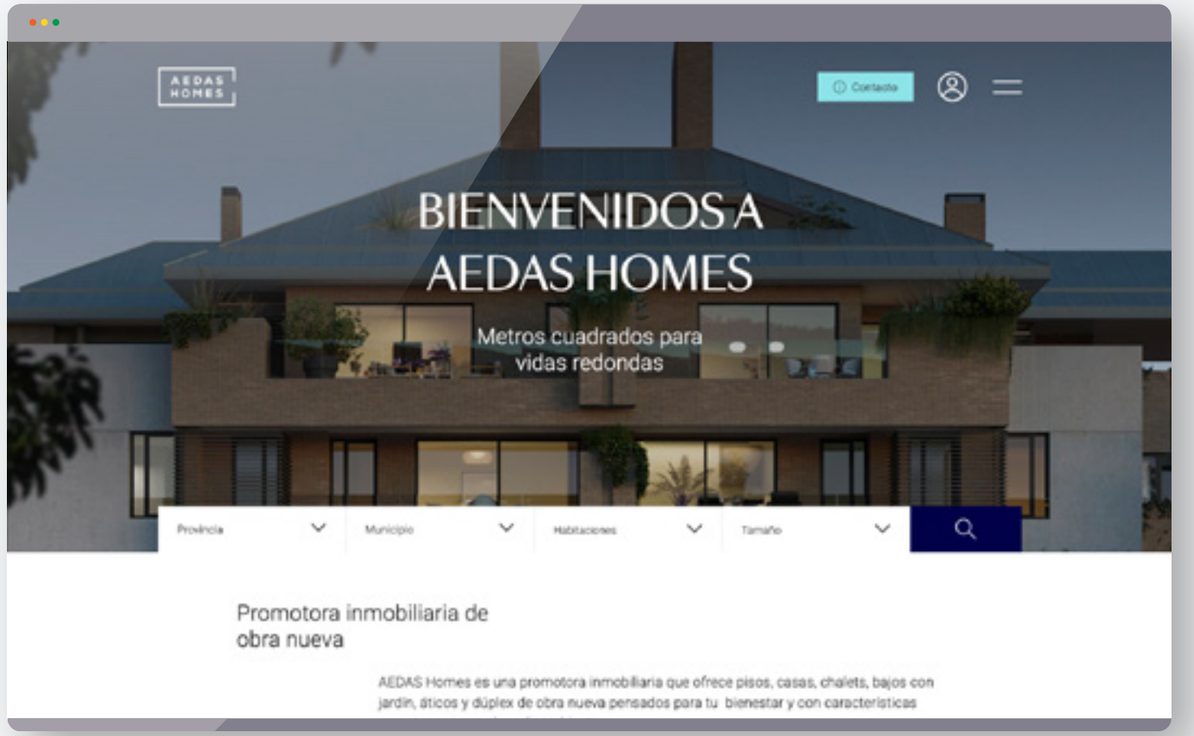


Across our six regions, we have 65+ points of sale which are staffed by an extensive external sales network made up of 100+ local agents with unparalleled knowledge of each market.

Those establishments include multi-product on-street stores, sales offices erected on-site at our developments and our new flagship showroom in Madrid, inaugurated in 2022.

Through our sales offices, we attended 33,500+ potential new customers last year.

First homes sold 100% online



Customers using this new sales channel are offered an immersive experience comprising a virtual tour, replete with 3D images, views from the homes' balconies, an interactive map, videos, a virtual scale model and much more.

We continued to revolutionise the property market by launching a multi-device online platform last January which makes it possible to buy a new-build home totally online. The first pilot test of the online-only sales experience, involving no human contact, took place at the Aborda development in Alicante and was followed by the Faraday development in Madrid in March.

Customers using this new sales channel are offered an immersive experience comprising a virtual tour, replete with 3D images, views from the homes' balconies, an interactive map, videos, a virtual scale model and much more. The browsing experience is pleasant, simple and intuitive.

Thanks to artificial intelligence, a virtual assistant can answer customers' questions at any time of the day and any moment of the visit.

During the purchase process customers are informed of every milestone along the way and all their needs are covered thanks to automated marketing tools.

The two pilot tests have whetted the public's interest and are helping us better understand customer reactions at each phase of the process without the need for human contact.

By year-end, 8,660 people had used the smart platform and the first home sale had closed.

Improving the customer experience

Here at AEDAS Homes we are aware of how important purchasing a new-build home is to our customers. That is why we work so hard to constantly improve their journey throughout the entire process, which can be divided into three phases: search, wait and life.

An unforgettable first experience

During the initial search phase, we work to capture customers upstream, using digital (Google, social, etc.) and in-person tools (events, wayfinding, etc.). Once a customer contacts us, we activate our reception protocols so that they feel looked after and listened to as quickly as possible.

In FY 2022-23, we made important upgrades to our sales outlets and customer reception procedures.

Next-generation show office at building sites

To welcome our customers at our building sites we have created a new modular, sustainable and industrialised sales office concept. At these next-generation points of sale, customers can receive general information and personalise their homes.

The new offices have a floor area of around 120m^2 and comprise three metallic-structure modules with varying characteristics (possibly a lookout point, showroom area, or both). The first module has been designed as a show office for customer care purposes and the other two have been conceived of as rooms for showcasing samples, finishes and layouts.

These innovative spaces are reusable and doubly sustainable: environmentally so (less waste) and financially (lower investment). By year-end, the company had installed three modular stores servicing 11 developments.

Perfecting the first visit

In parallel, we have improved our reception protocols, by increasing the number of questions we ask potential customers during their first visits so as to better meet their expectations.

Aware that we don't get a second chance to make a good first impression, we are monitoring compliance with the new protocols by multiplying our mystery shopper visits tenfold with the aim of detecting possible procedural deviations or errors.



Punto de venta industrializado (Mairena de Aljarafe)



Multiplying customisation opportunities

Last year, we dedicated significant effort to enhancing the customer experience during the 'wait time', the period of time elapsing between the purchase and delivery of their new homes. Specifically, we worked hard on one of the most critical aspects of that period, an area often neglected in the sector: home customisation.

In FY 2022-23, we multiplied the possibilities for customising our homes and communicated them better through two key initiatives: creation of a dedicated customisation team; and reinforcement of the customisation sales effort across the various regional sales offices and at the new flagship showroom in Madrid.

The new customisation team, made up of architects and interior decorators, works to create and specify all of the customisation opportunities available at each development to ensure they respond to what our customers are looking for.

For example, customers can choose how to configure the layout of their homes, select their kitchen materials, colours and other characteristics, among other possibilities. Other customisation possibilities are designed to make life easier for older people or people with disabilities, such as smart home systems, keyless entry and wide passageways.

If a customer wants to have everything handled by us, they can arrange interior design and decorating services and ask us to set up all their utilities ahead of their move (Wi-Fi, water, electricity, etc.)

Thanks to these initiatives, the average revenue generated by customisation options tripled last year.



Product quality guarantees

Our after-sales service offers guarantees throughout the first year after delivery of our developments, with product quality experts on site to provide in-person assistance. AEDAS Homes also provides all the guarantees required under Spanish building law throughout the useful lives of its developments. We also have a dedicated Product Quality call centre to field any enquiries our customers may have after they move in.

During the courtesy visit and exchange of deeds, customers receive the Building Book, Home Guide and User Manual featuring tips for keeping their homes in optimum condition and making them as comfortable as possible.

Framed by our ambitious environmental commitments, that documentation includes very useful sections on water and energy savings.



Customer claims management

Every claim is fielded by the Customer Experience Manager assigned to each Regional Branch; those managers make initial contact with the customer in question to reassure them and make certain they know who is in charge of handling and resolving their claim. That first contact takes place within no more than a day of receipt of the claim.

The Customer Experience Manager has autonomy to manage and resolve the claim and analyses the situation with the professionals involved in the underlying issue. The customer receives a response within no more than 10 days. We classify incoming claims according to a number of variables, most notably the maturity of the customer's relationship with AEDAS Homes: claims received pending home delivery (waiting phase) and claims received after delivery (life phase).

In the event of claims received after delivery, the Customer Experience Manager follows up with the Product Quality department so as to ensure a rapid response.

The following table summarises the enquiries and claims received from customers during the wait phase and life phase:

Queries and complaints

	FY 2021-22	**FY 2022-23**
Enquiries	8,079	15,368
Claims	600	735
- Closed:	551	655
- In progress	49	80
Response time	3.4 days	3.5 days

We've multiplied the possibilities for customising our homes and communicated them better by creating of a dedicated and reinforcing the customisation sales effort

New flagship showroom in Madrid

Customisation lies at the heart of the new flagship showroom we inaugurated in Madrid's Salamanca district last June.

In a spectacular space spanning 1,300 sqm, our customers can choose *in situ* how they want to customise their homes, with different options depending on whether it will be their primary or secondary residence.

The AEDAS Homes flagship is designed to offer an unbeatable home purchase experience by taking prospective buyers through a series of rooms: the lobby with a 3 sqm video wall, the 360º room providing an immersive experience, the dream area, bathroom, dressing room, wardrobe and kitchen displays, an interior design atelier, a 100 sqm pilot home and much more.

Buy a second home at the beach from Madrid

One of the radical new features offered by the flagship, unprecedented in the Spanish sector, is the possibility for home buyers who reside in Madrid to purchase a second home in one of our beach developments (East region, Mallorca, Costa del Sol, Laredo and Sanxenxo), selecting all the finishes from the showroom.



Flagship AEDAS Homes

Knowing our customers and listening actively

Our ultimate goal is to satisfy our customers and make them happier by offering them homes tailored for their needs. To achieve this, we need to understand them and listen to them actively and systematically.

AEDAS Homes' customer profile

Most often, an AEDAS Homes customer is a mid- to upper-income Spanish family looking to buy a home to live in. However, in the past year, the number of international customers has increased considerably: last year, we sold nearly one-third of our homes to international buyers (29%). We also saw growth in the number of individuals buying homes as a safe-haven investment (12%).

FY 2022-23 was also marked by the use of the internet as a purchase channel. 63% of AEDAS Homes buyers reached us through online channels, with the remaining 37% coming in via offline channels.

The following chart sums up the key characteristics of our home buyers.



Last year nearly one-third of our sales were to international buyers, and we also saw growth in the number of individuals buying homes as a safe haven investment.

AEDAS Homes' buyer profile. 2022-23

Average sales price

€383,000

Lorem ipsum

€336,360 APARTMENT

€670,545 SINGLE-FAMILY

Type of home they buy

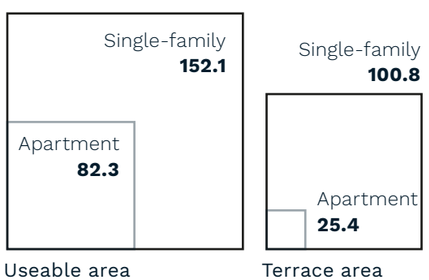
Type

Ground floor with garden	**8,5%**
Penthouse	**8,9%**
Single-family	**10,1%**
Apartment with terrace	**29,0%**
Apartment	**43,5%**

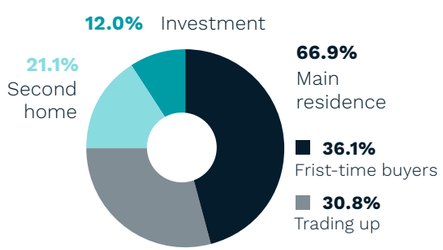
Number of bedrooms

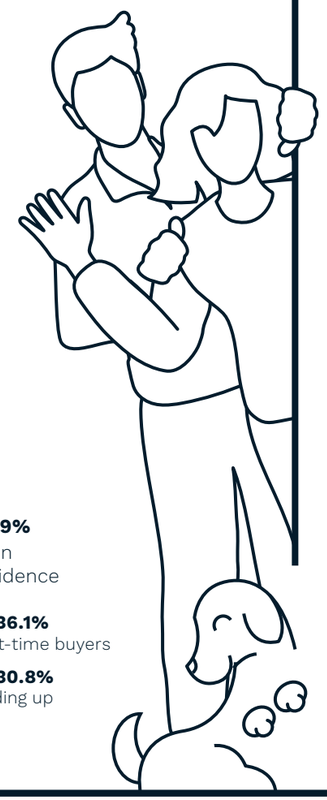
5 +	**1.1%**
4	**20.8%**
3	**47.6%**
2	**27.1%**
1	**3.4%**

Average floor area. m^2



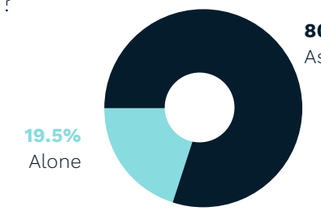
Purpose



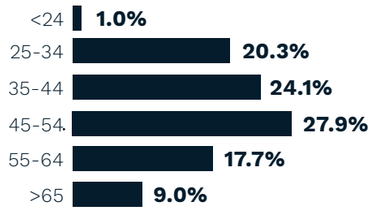


Who buys?

How they buy



Who buys



Average age

46.5 years old

Economic Zoom

Average starting budget

€357,018

€330,530 APARTMENT

€718,341 SINGLE-FAMILY

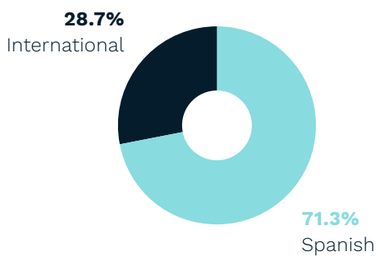
Average mortage LTV needed

52.2%

Average family income

€84,373

Where they come from



By country

Netherlands	**14.4%**
Poland	**10.3%**
Germany	**10.0%**
Belgium	**6.0%**
Sweden	**5.3%**
United Kingdom	**4.8%**
China	**4.3%**
USA	**3.7%**
Ukraine	**3.3%**
Venezuela	**3.3%**
Others	**34.6%**

By CC.AA

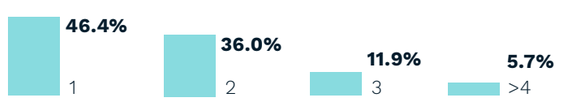
Madrid	**22.0%**
Andalucía	**22.6%**
Cataluña	**15.2%**
C. Valenciana	**13.5%**
Aragón	**6.5%**
Castilla y León	**4.4%**
Navarra	**5.2%**
Baleares	**2.9%**
Galicia	**1.5%**
Murcia	**1.6%**
Otros	**4.6%**

How they make their decision to buy

Sales channel origin



Number of visits to the point of sale until reservation



We also work for institutional clients, developing residential buildings turnkey for subsequent rental. These clients are a mix of well-capitalised Spanish and international institutional investors.

Current institutional clients in the build-to-rent line

Primevest Capital Partners

Azora

Ares

Grupo Lar



Solid relationships with Tier One institutional clients who see AEDAS Homes as a trusted industrial partner to develop turnkey rental projects

Active listening

At AEDAS Homes we track the data our customers provide us and our conversations with them in order to extract as much information as possible about their interests so as to continually fine-tune our product offering.

We have a database that houses all of the company's know-how, which enables us to take decisions on the basis of optimal information quickly and with minimal errors.

Data intelligence improves customer relations as better insight into market trends allows us to fine-tune our designs and align them with real needs.

Customer satisfaction surveys

To continually do better, it is essential to get feedback from our customers. That is why we send surveys to all our customers at key points during each of the three phases of the development life cycles, in line with our **Homeowner Survey Procedure.**

Our surveys assess our performance at six critical junctures of the customer journey:

- 1st — After the first visit to a point of sale
- 2nd — After the pre-sale signing
- 3rd — After the presentation event
- 4th — After the courtesy visit
- 5th — After the formal exchange of deed
- 6th — Eight months after delivery of the home

For the last survey, customers are asked to rate the condition of their home, the customer service they received, our brand image and to provide a Net Promoter Score (NPS). In FY 2022-23, the number of surveys completed by customers increased by 201%.

The surveys completed over the course of the last year reveal that the top-scoring aspects of our performance in our customers' eyes are the attention provided by the AEDAS Homes teams involved in the process, the general good condition of the overall development and homes when seen for the first time and, above all other aspects, the quality of the building work, along with the materials used, design features, the importance given to shared facilities and, lastly, the value for money.

Data protection

To safeguard our customers' data, we have a mature cybersecurity platform focused on 24x7 monitoring and defence, data protection, identity and permissions management, and automatic generation of evidence for auditing and compliance, all framed by our ITC Security Policy.

Oversight from the Board of Directors guarantees a strong underlying governance structure for cybersecurity management, and the Technology, Innovation and Cybersecurity Committee focuses on guiding the company to ensure that cybersecurity procedures and processes are in place to monitor and respond to data breaches, cyberattacks and other threats as they evolve.

In FY 2022-23, we continued to carry out practice regular security audits, vulnerability assessments and penetration testing of our systems, products and practices that affect user data, carrying out this testing both internally and externally.

Furthermore, as educating and training employees is one of the key pillars in the company's cybersecurity strategy, the company has continued to offer courses for employees on cybersecurity best practices.



Silgar (Sanxenxo)

Safety at AEDAS Homes' developments

As is set down in our Health and Safety Policy, we are committed to ensuring that our homes are free from all risks.

To that end, we execute our Health and Safety Process during the design phase with the agents involved, analysing risks during the building work phase as well as the measures needed to ensure health and safety during the development maintenance phase. Special attention is paid to hazardous work performed on rooftops and balconies.

Moreover, all of the processes and procedures performed during the building process comply with prevailing legislation and previously identified best practices.

In the coming years we plan to devise a methodology for improving health and safety at the homes we develop.



Nisart (Sitges)

Our professionals, the talent driving our growth

We are a benchmark in residential development thanks to our excellent and passionate professionals. We have built a top-performing team by guaranteeing them quality work in a pleasant, safe and stimulating environment ripe for developing their talent. Thanks to our people management effort, we earned Great Place to Work certification for the second year in a row.



Milestones

- ESG target included in our short-term variable remuneration model
- ESG metric included in our long-term incentive plans
- Renewed certification as a Great Place to Work
- Membership of the Generation & Talent Observatory's Business Network and signature of the Code of Generational Diversity Practices

Flagship AEDAS Homes

Employment and diversity

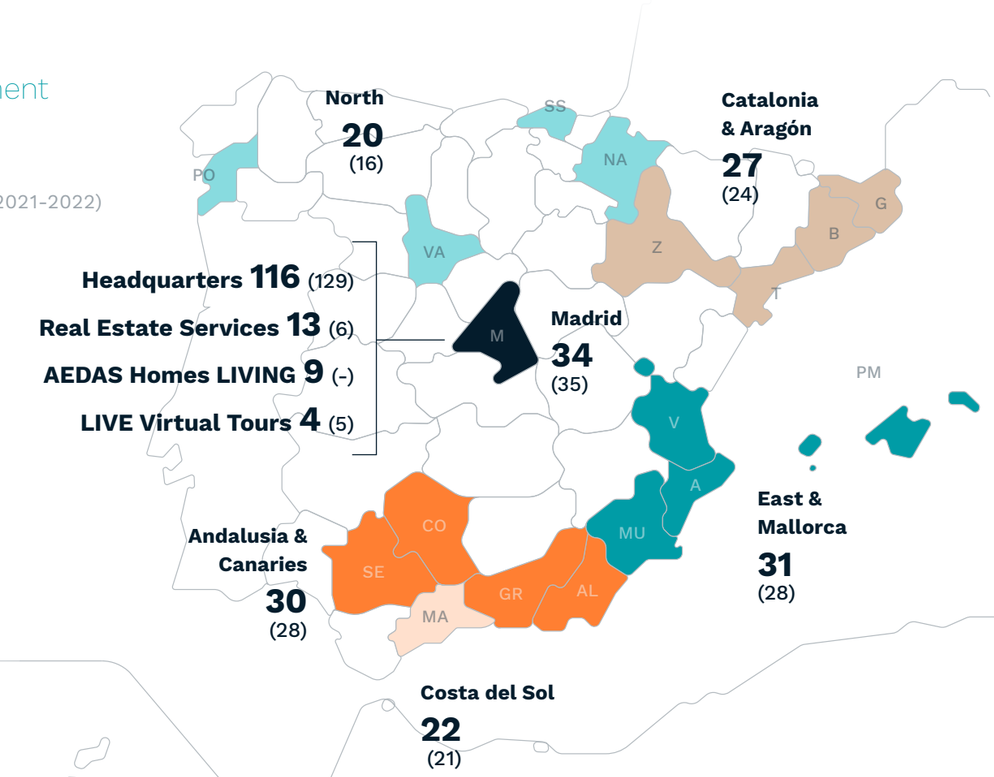
At 31 March 2023, AEDAS Homes employed 302 people across our head offices in Madrid, our six Regional Branches and the two offices from which two of our group companies, Live Virtual Tours and AEDAS Homes Living, operate.

Our team is the force behind our sustained growth and innovation. That is why we are committed to providing them with meaningful and stable work: 96% of our employees are on permanent contracts.

59 people joined the company in FY 2022-23.

Employment footprint

Employees
2022-2023 (2021-2022)



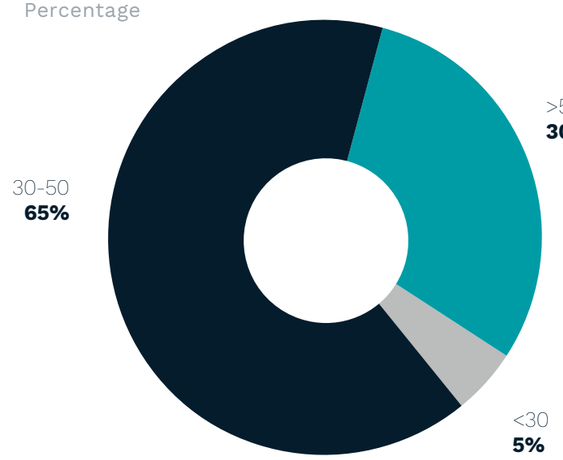
	FY 2021-22	**FY 2022-23**
Head offices	129	116
Madrid	35	34
Catalonia & Aragon	24	27
East & Mallorca	28	31
Andalusia & Canaries	28	30
Costa del Sol	21	22
North	20	16
Real Estate Services	6	13
AEDAS Homes LIVING*		9
LIVE Virtual Tours	5	4
TOTAL	**303**	**302**

*This company was set up in FY 2022-23. Its employees were included within the head office headcount in FY 2021-22.

Our professionals are experienced and dynamic. Their average age is 44.

Headcount breakdown by age

Percentage



We're committed to providing our employees meaningful and stable work; 96% of our team is on a permanent contract.

Our employees are highly skilled and specialised. 67% have university degrees and 23% have diplomas.

Headcount breakdown by level of studies

Percentage



Framed by our commitment to gender diversity, men and women are equally represented in our headcount.

Headcount breakdown by gender

Percentage



Gender diversity

	FY 2021-22	**FY 2022-23**
Female employees	155	**151**
Female Board Members	2	**2**
Female executives	11	**10**

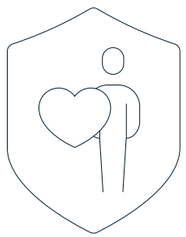
In keeping with our commitment to diversity, as of March 2023, two employees with disabilities were working for AEDAS Homes, whereas as of March 2022, one employee was differently-abled.

Framed by our commitment to gender diversity, men and women are equally represented in our headcount

Management approach to human resources

Our employee commitments are set down in our ESG Policy, which is managed and put into practice by our Corporate Resources Department.

Our commitments to our employees



Health, safety and wellbeing

Ensuring compliance with prevailing legislation and the highest standards of occupational health and safety in order to provide our employees with a safe place to work, framed by a certified Occupational Health and Safety Management System.



Career development

Applying best practices in talent recruitment and retention to ensure we have the finest intellectual capital and guarantee our employees' professional development, fostering the provision of decent pay, recognising and rewarding performance and contribution to the company's results.



Equal opportunities and diversity

Providing a respectful place to work where there is no room for discrimination in any of its forms, one that provides fair and equal access to all of the company's activities by championing measures that facilitate work-life balance.

True to our business ethics and values and the 10 United Nations Global Compact principles, we uphold the human rights and other provisions laid down by the International Labour Organization in its guidelines on the provision of decent work. Specifically, we repudiate all forms of child and compulsory labour.

We are firmly committed to respecting the principles of fair treatment, non-discrimination and equal opportunities in all recruiting and selection processes. To that end we have an equality plan and a protocol for the prevention of workplace and sexual and/or gender harassment.

Collective bargaining agreements

Our employees are covered by collective bargaining agreements. Specifically, 99% are covered by the office workers agreement in force in each region, with the remaining 1% covered by the consultancy, market studies and public opinion sector agreement.

AEDAS Homes' employees are not unionised.

People management

We know that only a robust workforce can drive our growth, push innovation forward and elicit customer loyalty. That is why our approach to people management is based on creating a respectful and stimulating environment conductive to professional growth. We want our people to feel part of an uplifting endeavour.

Talent attraction and career development

The task of creating a pleasant workplace starts with our recruitment effort. We select candidates based on their expertise and experience, as well as their interpersonal skills, framed by the provision of equal opportunities.

As soon as candidates are hired, we start to nurture a sense of belonging thanks to an onboarding system designed to facilitate rapid integration of the newcomers with the rest of the team. As part of that process, someone from the Corporate Resources team welcomes the new employee and presents them to the rest of their colleagues, who give them a tour of the offices, get them all the IT clearances they need for their jobs and show them the corporate intranet so they learn how to find all the company information they may need.

We share our know-how with new hires and give them challenges and opportunities to encourage them to move outside their comfort zone and take on additional responsibilities. This approach is part of a culture of innovation which contributes to their professional growth while furthering the company's development in parallel. We strive to inspire our professionals with an Innovation Newsletter on the Employee Portal and we organise Innovation Workshops with the aim of improving the company's processes and results. In FY 2022-23, 30 employees participated in two of those workshops.

We stay by our new hires' side as they settle into the company by means of a monitoring programme which includes regular meetings with the Corporate Resources Department. Those meetings are scheduled one week, one month, six months and one year after their hire. After they have been with the company for a year, those meetings are held annually. Employees are asked about their expectations, perceptions of the organisation, relationships with their colleagues and superiors and career development ambitions during those sessions.

Each manager organises meetings with their team members in order to evaluate their performance and provide them with feedback about their performance. In that way we contribute to our employees' professional and personal development by helping them acquire the skills they need to go further at the company.

In FY 2022-23, we promoted 11 employees and another six switched to new roles at the company, in a testament to our employees' hard work and our talent management and training programmes.



Fair pay

We strive to pay our professionals as generously as possible, in line with the compensation offered by our sector peers. All our employees earn a fixed salary and a bonus, which depends on the delivery of annual targets.

In addition to cash compensation, we offer our employees a series of company benefits designed to contribute to their wellbeing as well as that of their families.

In FY 2022-23, we analysed our gender pay gap, finding that: At the executive level, men and women enjoy virtually the same pay. In our middle management and technical positions, women earn 13% less than their male peers. In administrative positions, the gender pay gap is minimal, at 5%, and in sales, our female employees earn 6% more than their male counterparts.

Company benefits paid by AEDAS Homes

Private health insurance
Covers employees and all members of their households. This benefit sets us apart from our competitors.

Private life insurance

Parking
All mid-level managers and higher ranked employees are provided with a parking space.

Company car and fuel card
The company provides a selected group of executives with company cars and has a pool of cars for jobs involving driving.

Loyalty club
We offer our employees a suite of discounts on a range of products and services, including dry-cleaning, hair-dressing, etc.

Gifts for hospital stays
We want our people to feel we are there for them. If any of our employees has to spend time in hospital, we send them a gift from the company.

Gift for birth of a child
All new parents receive a gift basket.

Funeral wreath for death of family member
At times like these we want our employees to feel our empathy.

Company benefits in the form of flexible remuneration
The company offers its employees a range of products that give them considerable tax benefits: childcare vouchers, food cards and transport passes.

In addition to cash compensation, we offer our employees a series of company benefits designed to contribute to their wellbeing as well as that of their families.

Variable remuneration tied to an ESG target

Once again in FY 2022-23, an ESG target was included in the company-wide variable remuneration scheme, based on the percentage of our developments with AA energy efficiency certification. This measure helps integrate ESG considerations into our procedures and improve our performance.

The weight of this target varies depending on employee responsibilities at the firm:

- For members of the Steering Committee, executives and middle managers, it represents 10% of their overall annual bonuses,
- For all other employees, it represents 5%.

In addition to this metric, the individual targets assigned to the CEO, the Chief Corporate Resources Officer (also the ESG Coordinator) and the Director of Sustainability include another metric tied to ESG achievement.

Lastly, one of the targets included in the long-term incentive plan (LTIP) for 2021-2026, targeted at senior management and key employees, is a metric tied to ESG criteria, specifically the environmental dimension.

For further information, refer to the Annual Report on Director Remuneration for FY 2022-23, which can be downloaded from the company's website.

For further information, refer to "Integration of ESG aspects into the risk model"



Corner Ecoliving en el punto de venta de Las Rozas

Including an ESG target in the company-wide variable remuneration scheme helps to integrate environmental, social and good goverance considerations into our procedures and improve our performance.

Professional training

Our commitment to our professionals' continuous development materialises in the provision of quality training. We invested €220,367 in training in FY 2022-23.

Following a needs assessment, a personalised Training Plan is put together for each employee every year. Those plans are design to develop talent at the company and respond to key identified needs: technical, language, digital and management skills.

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

In FY 2022-23, that training effort translated in 75 training events entailing 5,412 hours of training, provided by first-class external training professionals. We also provided 8,312 hours of in-house training around young talent programmes during the year.

In parallel, we have a digital platform for the provision of specific courses targeted at all employees covering regulatory and compliance matters; 1,281 hours of training were imparted through that platform in FY 2022-23.

Training

	FY 2021-22	FY 2022-23
Total training hours	6,077	15,005
Hours of training per employee	21	50
Total investment in training (€)	184,000	220,367

Hours of training by job category

	FY 2021-22		FY 2022-23	
	Number of hours	Average	Number of hours	Average
Executives	1,201	22	1,794	34
Middle management	2,068	30	2,317	31
Other employees	2,808	16	10,894	62

Hours of training by gender

	FY 2021-22	FY 2022-23
Men	2,802	5,133
Women	3,275	9,872
Total	**6,077**	**15,005**

Training provided FY 2022-23

Masters-level Courses
- Directors Programme
- Executive Master's Degree In Finance
- Epre Executive Programme

Skills Training
- Professional Coaching
- Trainer Of Trainers
- Negotiation
- Recognition as a leadership tool

Digital Training
- Advanced, Medium-high and Medium Excel
- Power Bi: Advanced and Basic Level
- Revit Architecture Course from 0 To Advanced
- ITIL 4 Fundamentals
- PowerPoint
- Business Analytics
- Salesforce
- Word

Technical Training
- How to Design and Execute a Training Plan
- CISM Course
- Balance Sheet Analysis
- Basic Life Support and Defibrillators
- Town Planning
- Level(s)
- Cypetherm HE Plus
- Data Storytelling
- Technical Training on Urban Planning Laws in Andalusia
- Privileged Information and Securities Transactions
- Technical Conference on Urban Planning and Land Management
- Chief Accountant Best Practices
- Investment Module
- Accounting Policies and SCIIF
- Specialisation Programme in Real Estate
- Real Estate Financial Programme
- Treasury
- Urbanism in the Transaction
- Accounting Focused on Real Estate Sector

Mandatory Training
- Anti-Money Laundering and Financing of Terrorism training
- Health and Safety
- Quality and Environment
- Code of Conduct
- Equality
- Prevention of Workplace Harassment
- Data Protection
- Business Continuity Management System

One of the milestones of FY 2022-23 was the provision of ESG training to all employees.

This course, which was provided online, raises employee awareness by giving employees insight into the challenges facing society and how the real estate sector can tackle them.

The ESG training effort began in FY 2021-22 with the company's senior management. Those executives in turn transmitted the key messages to the rest of their teams. In FY 2022-23, we have continued this initiative, now reaching 100% of our employees.

Esg training

	FY 2021-22	FY 2022-23
Hours	17	604
Employees trained	17	302

Committed to young talent

We are committed to helping talented young professionals acquire skills and find work. That strategic and unique commitment has crystallised in two high-performer training programmes: "Development Managers in Training" and "Technical Architects in Training".

Six graduates took part in those programmes in FY 2022-23. Of all the employees participating in those programmes to date, 78% stayed on at the company.

These development and training programmes run for two years. They consist of four distinct training blocks:

- **Upfront technical training**, which lasts for one week.
- **Hands-on training.** For two years a mentor teaches the students the ins and outs of the work of a development manager or technical architect. The Human Resources Department follows up with the students and tutors weekly.
- **Workshops:** Every six months the company organises a workshop given by experts from within the organisation.
- **Case studies.** The students work on a case study related with the company over a six-month period with the help of their mentors. When it is ready, they present it to a panel of experts made of up a number of company managers who provide them with the pertinent feedback. The students are evaluated for their knowledge, communication skills and case presentation.

Internships

For the fifth year in a row, in FY 2022-23, we collaborated with the work practice programme for students of the real estate degree course at UPM, Madrid's Polytechnic University, to foster job opportunities for talented youths. Every year we take in one of those students for a 6-month internship so they can see how a real estate developer operates for themselves. Those interns do work practice at the Madrid Regional Branch and round out their training by rotating through a number of different company departments. In the five years we have been collaborating with this university, 60% of our interns have then been hired at the company.

Helping young people get ready for the world of work

In parallel, our executives, including members of our Steering Committee, participated in 47 events, including debates and training courses, with the aim of sharing their experiences with the upcoming generations and improving their job prospects. Those initiatives included participation in job forums, teaching at a number of third-level education centres and coaching sessions.



Jornada AEDAS Homes por el Día de la Mujer

Equal opportunities and non-discrimination

We are convinced that creating and nurturing a diverse and inclusive workplace will help deliver our corporate targets. To that end we have launched a series of measures for bolstering gender diversity at the company, framed by our Equality Plan:

- **Review of job offers and employment contracts to eliminate any gender bias.** Every year we verify a random selection of published job offers to make sure there is no implicit discrimination in them. We likewise check employment contracts to ensure they contain no gender bias.

- **Women's Day:** we marked International Women's Day with a gathering of female executives at our flagship showroom. During a round table event titled 'The world and business analysed by four female executives', the speakers analysed the Spanish and international macroeconomic situation and the important role played by women in the business world. On 8 March 2023, we also launched a video highlighting the importance of female talent at the company, broadcasting internally and externally.

- **Training on equality and the prevention of workplace and sexual and/or gender harassment:** we organised two training courses, one on each topic, which were provided to all employees and continue to be imparted to new hires. The first addresses the importance of equality in the workplace and provides information about AEDAS Homes' Equality Plan. The second talks about the importance of preventing workplace harassment and the protocol in place at the company.

We are committed to integrating people with disabilities into the workplace. Our measures for supporting people with disabilities include the following:

- **Ensuring our offices are accessible at street level or in locations without architectural barriers:** We ensure accessibility for persons with disabilities. Whenever possible we locate our offices on the ground floor for easier access. Likewise, several of our Regional Branches have adapted entrances and wheelchair-friendly lifts.

- **Collaboration with Prodis:** We work with the Prodis Foundation's job centre for the employment of people with disabilities on the production of corporate materials.

We are aware that the right mix of experience and youth is necessary at the company, which is why we adhered to the Generation & Talent Observatory's Code of Generational Diversity Practices in March 2019 and joined that same organisation's Business Network in 2022. That taskforce's mission is to generate a network of know-how and good practices around active generational diversity policies.

As part of this observatory, we participated a first workshop on LGTBI+ diversity with the goal of defining, between all participating companies, a framework of best practices for implementation by businesses. All members of the Human Resources Department are receiving diversity training.

Work-life balance

Working hours and days are structured in keeping with the office worker collective bargaining agreements in force in each region where we do business.

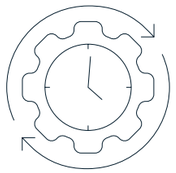
Work-life balance has always been an important aspect of the company's management and we have rolled out successive measures for achieving our goals. As a result, we were distinguished with the Flexible Company Madrid Award in 2018.

We offer a number of flexibility and work-life balance initiatives, some of which have been implemented in response to employee feedback obtained through the Great Place to Work surveys.

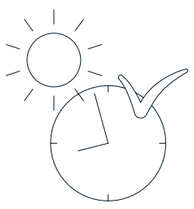
Work-life balance measures



Working from home: the company has a formal Working From Home Policy whereby employees can work from home one set day a week. In addition, employees can ask to work from home whenever they need to for a range of reasons. A number of employees in the Technology Department work from home three set days a week.



Flexible work start and end times: employees can choose to start at any time between 8.30 and 9.30am and enjoy a 1-hour lunch break. Depending on when they start their work day, they leave starting from 6pm. On Fridays, everyone works from 8am to 3pm.

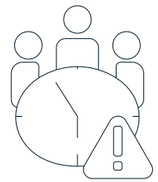


Shorter summer working hours: the workday runs from 8am to 3pm during the months of July and August.



Remote working for women from their eighth month of pregnancy: female employees can elect to work from home once they are eight months pregnant to allow them avoid commutes and work more comfortably.

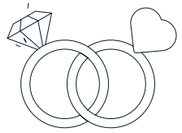
Right to disconnect from work



Meetings are scheduled to end before 6pm whenever possible.



One-day extension of the leave provided for in the collective bargaining agreements for the death of a close relative (parents, significant other or children). While this is the formal measure, the company is totally flexible in these situations, accommodating their absence for as long as they need.



Paid leave the day before one's wedding day: We like to make this gesture on such as special day.

We offer a number of flexibility and work-life balance initiatives, some of which have been implemented in response to employee feedback obtained through the Great Place to Work surveys

Absenteeism

The absenteeism rate was calculated by dividing the number of hours of absenteeism by the average workforce times the total number of hours worked. In FY 2022-23, the number of hours lost to the inability to work totalled 18,544 hours.

The absenteeism rate increased last year due to a higher incidence of maternity leave and a higher number of days off for common illnesses.

Absenteeism

	Hours of absenteeism		Absenteeism index	
	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23
Work injury*	2,648	608	0.5%	0.1%
Common illness	6,368	9,152	1.2%	1.7%
Maternity/paternity leave	6,640	8,800	1.3%	1.6%
Total	**15,656**	**18,560**	**3.1%**	**3.5%**

*Includes leave for Covid

Sense of belonging

In order to create a pleasant work environment and foster a sense of belonging, we organise the following activities:

- **Christmas dinner and Summer "afterwork":** All employees spend a day together before Christmas. Before the summer holidays we also organise a fun afterwork event in Madrid so employees get to know each other better, fostering a sense of belonging. Seasonal gift-giving (bottles of wine, cases, sunglasses and beach towels, for example) also sends the message that the company cares.
- **Celebration of targets:** We want to recognise our employees' achievements. Each department head sets two milestones for their teams for the year ahead which are celebrated when they are met.
- **Participation in philanthropic work:** all employees are offered the chance to participate in charitable activities as volunteers, like the Race Against Cancer, at no personal cost.
- **Physical and mental wellbeing programme** encompassing a series of initiatives including: Health Week, Road Safety workshop and campaign, Healthy Cities challenge, monthly health campaigns, medical check-ups, flu shots, defibrillator training and a physiotherapy service at work. In all, we organised nine activities in FY 2022-23 in which 51% of our employees participated.
- **Health & Safety Awards:** each year the company names the best-managed development in health and safety terms. Last year's competition resulted in a tie: the winners were the Qian development in Madrid and Jardines Hacienda Rosario RL-06 (BTR) in Seville. The prizes go to the development manager and technical architect at AEDAS Homes and to the onsite construction execution manager and health and safety coordinator, who are employees at external partner firms. In addition, the Regional Branch in question gets to select an NGO for a donation of €3,000.
- **Model Employee Awards:** each year the company rewards the employees voted by their peers as the best ambassadors for the following company values: enthusiasm for learning, adaptability to change and integrity. Now in its 4th edition, a total of 20 employees across the company have received this prize to date.

Digitalisation designed to lift employee productivity and satisfaction

Over the last few years we have designed and implemented a Digital Transformation Plan to free up employees' time by automating repetitive, low-impact processes so that they can concentrate on more impactful tasks. This change leads to personal growth for our employees.

This digitalisation strategy also fosters a company-wide work culture, internally and externally, which boosts productivity and increases personal job satisfaction.

AEDAS Homes, a Great Place to Work for the second year running

Our approach to managing our people has made us a benchmark place to work. For the second year in a row, we have been named a Great Place to Work in Spain's real estate sector.

Results of the Great Place to Work survey

83% of respondents said they believe people at AEDAS Homes are willing to give more of themselves, which is five points above the real estate sector average.

82% said their superiors trust them to do a good job without having to supervise them.

83% said people are made to feel welcome when they join the company.

Based in San Francisco, Great Place to Work is a global consultancy whose mission is to help organisations identify, create and maintain exceptional workplaces by building high-trust cultures. Great Place to Work operates in more than 45 countries.



Sede corporativa AEDAS Homes

Our Model Employee Awards, awarded annually, recognise those employees who best embody the values of enthusiasm for learning, adaptability to change and integrity, chosen by their peers

Workplace health and safety

AEDAS Homes prioritises workplace health and safety. Our formal Health and Safety Policy states that one of AEDAS Homes' strategic targets is to ensure a safe workplace for its employees and partners, build safe and healthy housing, eliminate danger and minimise business risks by taking effective prevention and protection measures.

In this section we explain how we manage health and safety at our workplaces. For further information about how we manage health and safety at our developments, including onsite injury statistics for contractors and subcontractors, refer to "Health and safety at our developments" within the chapter titled "Our suppliers".

Our Chief Corporate Resources Officer is responsible for setting policy, strategic lines of initiative and general health and safety targets and is also tasked with fostering continuous improvement, all of which duly approved by our CEO.

Occupational Health and Safety Management System

At all of our workplaces, we have implemented an Occupational Health and Safety Management System, certified under ISO 45001:2018 (certificate number: SST-058/2020), made up of the Management Manual, Health and Safety Policy and our health and safety processes, procedures and protocols.

To date, 78% of our employees fall under the scope of that certified management system. That percentage reflects the start of business activities in new regions and the creation of new divisions (Real Estate Services and AEDAS Homes Living) last year. The scope of the management system will be expanded to include those new areas in FY 2023-24.

To make sure all our employees have access to current health and safety documentation, we have set up an area in the Employee Portal where all these non-confidential documents are housed.

Injury targets and results in FY 2022-23

Our Occupational Health and Safety Management System is aligned with our ESG Strategic Plan and the Sustainable Development Goals (SDGs), specifically with delivery of SDG 3 (good health and wellbeing), SDG 8 (Decent work and economic growth:) and SDG 9 (Industry, innovation and infrastructure).

To measure our performance against our targets, we use a number of indicators, most importantly those related with injury statistics. Those statistics allow us to track our safety record and to benchmark ourselves against our sector peers. We carry out this analysis for our own employees and for all of the workers involved in our developments (contractors and subcontractors).

There were two lost-time injuries in FY 2022-23. They were both minor injuries, caused by tripping and poor posture, which aggravated pathologies those employees already had. In other words, they were accidents that took place at our workplaces but were not caused by their work activities.

We remain committed to zero lost-time accidents among our employees.

Injury statistics AEDAS Homes employees

Metrics	2020-21	2021-22	2022-23
Lost-time injuries (total)	**0**	**0**	**2**
Lost-time injuries (women)	0	0	1
Lost-time injuries (men)	0	0	1
Fatalities	**0**	**0**	**0**
Injury frequency rate (total)	**0**	**0**	**3.07**
Injury frequency rate (women)	0	0	3.07
Injury frequency rate (men	0	0	3.07
Injury severity rate (total)	**0**	**0**	**0.09**
Injury severity rate (women)	0	0	0.17
Injury severity rate (men)	0	0	0.01
Injury incidence rate	**0**	**0**	**6.6**
Workplace-related illnesses	**0**	**0**	**0**

There were two lost-time injuries in FY 2022- 23, both of which were minor injuries and not caused by workplace activities.

We assess risk at all our workplaces and for all jobs; this risk assessment informs our Programme for Preventive Activities for eliminating or minimising workplace risks

Monitoring

Our Health and Safety Committee is tasked with overseeing and monitoring AEDAS Homes' health and safety programme. It does this by monitoring a dashboard of health and safety performance indicators.

Across the rest of the organisation, this work is performed by regional health and safety committees.

- AEDAS Homes' Health and Safety Committee has the following duties:
- Driving policy implementation.
- Understanding, debating and approving proposals.
- Defining and approving the targets and milestones set down in the injury prevention plans.
- Approving training plans and programmes, inspections, audits, etc.
- Reviewing the management system in order to keep it current for changing circumstances and aligned with our continuous improvement commitment.
- Understanding and monitoring the prevention plans and any prevention or corrective initiatives.
- Ensuring the system's integrity in the face of changing circumstances.

Health and safety at AEDAS Homes

Here at AEDAS Homes we want to create safe places to work. We assess risk at all our workplaces and for all jobs, revisiting those assessments whenever the circumstances change.

That risk assessment informs our Programme for Preventive Activities for eliminating or minimising workplace risks. We have also implemented operational control programmes in order to check that working conditions remain optimal over time.

The risk assessment methodology used is articulated around the criteria recommended by Spain's national health and safety institute (INSHT).

One of the controls carried out is an analysis of hygiene and ergonomics by means of measurements and tests (in line with applicable legislation). That effort is set down in the Hygiene Conditions and Work Ergonomics Periodic Control Plan. More specifically, we take indoor air, temperature, lighting and noise quality measurements regularly across our workplaces.

Outside organisations also evaluate the psychosocial risks associated with each position.

We monitor our employees' health using the workplace medicine service provided by Cualtis. That service factors in the following considerations:

- The risks our employees are exposed to, as itemised in our workplace risk assessments.
- The results of the periodic working conditions controls.
- Epidemiological and other medical studies issued by prestigious entities.

We continue to provide new hires with health screening and all other employees with regular check-ups.

Last year, we also held coordination meetings with the medical unit engaged by AEDAS Homes.

We encouraged our employees to adopt healthy lifestyles by offering physiotherapy services at the office, nutrition workshops, providing fruit at work and installing showers at some of our offices to facilitate physical exercise. Lastly, we organised a flu shot drive in October.



Employee training on health and safety at work

Training is one of the pillars of our health and safety management system and is key to unlocking continuous improvement. In FY 2022-23, we continued to provide health and safety training to all employees.

We maintain a control panel, where all the training courses that our employees do is registered.

We also organised a road safety workshop with the AESLEME Foundation, which was held in-person and online, with a total of 21 employees participating.

With the aim of increasing awareness around workplace health and safety, we publish related news and other items on our social media handles regularly. Those tools not only raise employee awareness, they also reach our customers, shareholders, suppliers and society in general.

Along with our Health and Safety training, we publish related news and other items on our social media handles regularly.

Emergency measures

Emergency procedures are clearly defined at all AEDAS Homes workplaces. We have appointed and trained emergency squads and we carry out drills annually to check the efficiency of those procedures and suggest how they could be improved.

Stakeholders

We have conducted SWOT analysis to analyse our health and safety threats and opportunities with input from the various identified stakeholders.

For further information about our stakeholders, refer to Chapter 4, A year of creating value together.

Employee participation, enquiries, health and safety communication and job motivation

Below is a list of the health and safety activities and communications carried out in FY 2022-23:

1. Road safety training: Road Safety Workshop organised by the AESLEME Foundation
2. Knowledge pills on the Employee Portal:
    a. Musculoskeletal disorders
    b. Updated COVID protocol
    c. Updated H&S Policy
3. Health Week
4. Healthy Cities
5. Road safety awareness campaigns
6. Annual Assembly
7. Health and Safety Awards
8. Health and Safety Committees

AEDAS Homes provides all of the official health and safety notices through its Health and Safety Committees and/or through the Employee Portal.

In order to engage all our employees, we hold an Annual Assembly in the month of April, where management presents an annual report and the latest targets and KPIs and reviews the main initiatives carried out.

We communicate with our shareholders through a number of channels, including AEDAS Homes' website and the notices filed with the CNMV.

Legal requirement identification and assessment

In FY 2022-23, we analysed developments in health and safety requirements to identify the need for any policy or procedure updates. That assessment is carried our periodically using the SALEM platform and did not detect any anomalies in FY 2022-23.

The assessment of our legal requirements is set down in two different documents: one for offices and one for construction sites, as their respective requirements are starkly different.

Internal, external and legal audits

In June 2022, our health and safety management system was audited by AENOR, which did not detect any incidents. We will recertify the system in June 2023, which is also when the legal audit is scheduled.

Nor did our internal system audits uncover any incidents. That audit was conducted by Bureau Veritas in April 2022.



Milestones

- Developer Operating System built
- Held Tendering Workshops at our flagship showroom
- Updated our White Book, featuring two new manuals: Acoustics & Hermetic Seals and Technical Apartment
- 5th Annual Gathering of Architects

Torre Estronci 81 (L'Hospitalet de Llobregat)

Our suppliers, allies in our sustainable construction bid

AEDAS Homes would not be able to develop its high-quality homes without the help of its suppliers. They are our allies in designing, building and selling sustainable homes designed for people. We value our suppliers and build trust-based with them, fostering their growth alongside ours so we can work together towards building more sustainably.

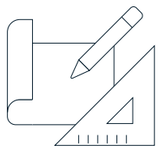
Supplier overview

At AEDAS Homes work with a select number of prestigious partners with a proven track record who are based locally in the areas where we operate. This select group of partners has demonstrated their fit with our company and their execution capabilities during our first few years in business, having been certified after a series of competitive tenders.

A significant percentage of these suppliers are considered critical; these are the suppliers that play key roles across the stages of the residential development process and whose work has a decisive impact on our developments and how they are perceived by our customers. Our critical suppliers are classified in four categories: architectural firms, contractors (construction companies) and real estate sales companies.

Around two-thirds of our developments are handled by preferred architects and construction companies

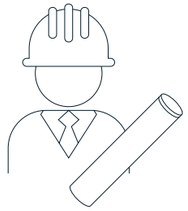
Four types of critical suppliers



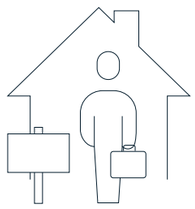
Architectural firms



Contractors (construction companies)

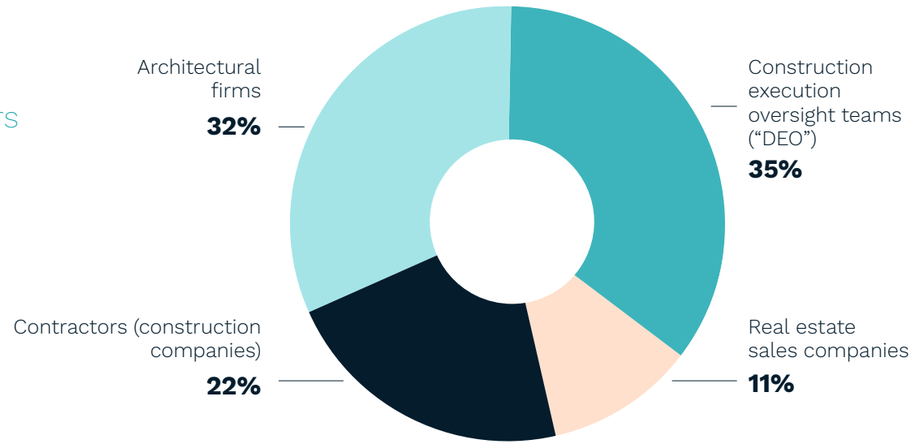


Construction execution oversight teams (“DEO”)



Real estate sales companies

Breakdown of critical suppliers in FY 2022-23



No. Of suppliers - FY 2022-23

	No. of suppliers	**No. of projects**
Architectural firms	61	180
Construction execution oversight teams (“DEO”)	66	172
Contractors (construction companies)	41	122
Real estate sales companies	20	171

Around two-thirds of our developments are handled by preferred architects and construction companies, with just one-third being put out to tender.

With the aim of containing construction costs and speeding up project execution, we prefer to organise negotiated tendering procedures whereby the construction company and construction execution oversight teams are previously adjudicated so that they can participate in drawing up the initial plans. In FY 2022-23, 19 works contracts were negotiated using this method.

We generally put our developments out to tender when we want to build a development in a new location. We invite local firms to participate so as to benefit from their deeper knowledge of the local regulations and market, while also giving back to the local business community. In FY 2022-23, we adjudicated seven contracts via public tenders in five different locations.

Efficient supply chain management

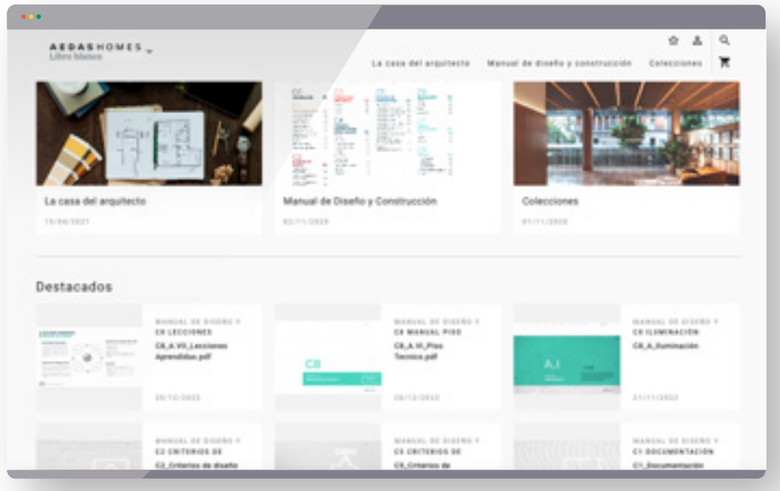
We implement integrated management processes designed to foster an effective and efficient value chain. To be able to deliver our corporate targets, each year we work on the following aspects: standardisation of our procedures, certification and assessment of our suppliers, improvement of our management tools and integration of ESG aspects.

Standardisation of procedures

Our developments must meet a series of requirements in relation to functionality, rational construction, comfort, flexibility, accessibility, sustainability, profitability, integration and fit with their surroundings and personal connection.

To guide our partners in applying our quality standards we provide them with two manuals which are continually updated for the latest regulations, technical requirements and sustainability criteria.

The White Book serves as a reference manual for all our residential development projects, acting as a repository of documentation for our technical collaborators, available through our Brand Centre.





The AEDAS Homes White Book

This is the yardstick for all AEDAS Homes developments. Published for the first time in 2017 and updated annually, the **White Book** (Design and Construction Manual) sets out the rules our suppliers need to follow when developing new homes.

It is a repository of documents which are updated constantly. The various experts involved in a development can downloaded topic-specific chapters through our Brand Centre. It has seven sections which detail the design, structuring, construction, facility, BIM model usage and sales plan criteria to be followed. It is complemented by five annexes covering lighting, signalling, accessibility, bathroom pods and construction execution oversight ("DEO").

Notable changes in the past year include the addition of a manual on acoustics and hermetic seals, a standard for technical apartments and the use of industrialised elements in core building components, such as stairwells. The "Lessons learned" chapter was also expanded to address the issues raised at certain developments.

The AEDAS Homes Green Book 2.0

The **Green Book** 2.0, updated and published in 2021, is an open and flexible guide designed to assist all parties involved in the construction process with implementing our sustainability measures at our developments.

It encompasses the full range of sustainability measures that can be used at our developments. Depending on the measures selected for each development, its sustainability level may be rated as basic, mid-high, high or excellent.

The Green Book also details the procedure for defining and monitoring the environmental mitigation measures to be implemented at our building sites together with our suppliers.

For further information, refer to the section on the Green Book in the Environment section

In addition, AEDAS Homes has a **White Book on Accessibility,** a manual for safety, comfort and accessibility parameters in the built environment.

Supplier certification

We aspire to work with the best suppliers in order to honour our commitments. To that end, the suppliers looking to form part of our supply chain must undergo an exhaustive selection and certification process and agree to periodical assessments for quality assurance purposes.

When certifying **architectural firms,** we ask them to itemise the technical qualifications of their professionals, the projects worked on in recent years, their software acumen and any relevant publications. All that documentation is included in a file which is then scored. Over the course of FY 2022-23, we certified four suppliers.

It is the architectural firms we work with who then hire the structural and facility engineers from a list of firms previously certified by AEDAS Homes. In that way we guarantee that the subcontracted engineering works meets our quality standards.

Construction execution oversight ("DEO") is entrusted to professionals with proven experience in residential developments following a procedure akin to that used to select the architects. Construction execution oversight teams participate in each phase of the development process, collaborating on drawing up the detailed plans and also helping with after-sales service, providing monthly progress and incident reports.

When engaging **contractors (construction companies),** we study two key aspects in detail: the company's technical and financial capabilities and their proven construction execution experience. To do that we look at their annual financial statements, the experience of their management team, the technical qualifications of their professionals, their management system certifications and the works completed in recent years. That analysis is backed up by the documents the construction companies are asked to provide and reference checking with customers, architects and project managers who have worked with them.

Elsewhere, our network of **real estate sales agents** is made up of experts with deep local market knowledge. They do their work unbranded from AEDAS Homes offices to take advantage of our sales procedures and IT systems. They are selected on the basis of their commitment to customer service and local knowledge.

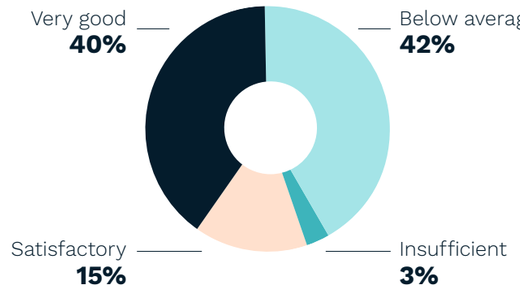
Supplier assessment

We monitor all our suppliers continuously, assessing the quality of the services they provide, as well as their ability to continue providing them. In most cases, this process is done through Promociona, where the criteria are collected and evaluation flows take place, as well as the Action Plan to be carried out according to the outcome. Over the course of FY 2022-23, we carried out 300+ critical supplier evaluations (of architectural firms, construction execution oversight teams, construction companies and real estate sales companies). 40% obtained an A rating (very good), 42% obtained a B (satisfactory), 15% a C (below average) and 3% a D (insufficient).



Plan VIVE (Tres Cantos, Madrid)

Supplier assessments - FY 2022-23



Continuous improvement of our management tools

We use a proprietary planning platform called Promociona to certify, assess and manage our suppliers. This software is designed to ensure correct execution and sale of each development, meeting the timing, resource and budget requirements laid down in each project's business plan.

We add new modules to the platform each year to facilitate project management. In FY 2022-23 we created the Tendering Platform, an area where the construction companies present their bids and plans, receive and respond to feedback. This platform compares the bids received and automatically creates the adjudication records so guaranteeing full traceability throughout the tendering process.

Promociona allows us to check the monthly work certificates as they are uploaded; monitor the projections for the months ahead; identify any deviations from budget; consult the possibilities for customising each development; and consult the selections made by each customer, etc. Supplier assessment also takes place through this platform.

Building a Developer Operating System to integrate all partners

We believe that digital transformation is crucial to the future of the home development business. We are building a cutting-edge **Developer Operating System** which, by digitalising business processes, will bring together the professionals involved across the residential development value chain (architects, construction companies, engineers, sales agents, lenders, etc.).

The end-to-end applications comprising the new operating system, which covers the process from site identification to delivery of the finished home, permit us to automatise and synchronise critical business data in real time.

The system will be connected to the APIs used by our technical experts, builders and sales agents (BIM 360, Dalux and Salesforce), so that our suppliers can integrate their processes with those of AEDAS Homes in a smooth and synchronised manner.

The operating system was unveiled at AEDAS Homes' first Technology Gathering, which was organised to share experiences and opinions around the digitalisation of the real estate development process

The event, which took place in September 2022, was attended by 80 stakeholders from the PropTech world, including Salesforce, Deloitte, Orange, Omega CRM, The Fringe/LABS, Akoios, LIS Data Solutions, Ozona Consulting and Inercya.



I Encuentro de Tecnología AEDAS Homes

Incorporation of ESG aspects into the supply chain

We are working to get our suppliers to embrace our environmental, social and governance criteria. Our **Code of Conduct for Third Parties** sets forth the minimum standards of conduct we expect from our suppliers, particularly of partners we view as key for our value chain: architects, quantity surveyors, construction companies and sales agents.

All of our critical suppliers must endorse that Code of Conduct for Third Parties which includes requirements in the areas of human rights, labour rights and health and safety. We reserve the right to end business dealings with partners who breach those requirements.

The Code of Conduct for Third Parties also reflects our environmental commitments and their role in ensuring we create homes that foster sustainable urban development and meet the highest standards of energy efficiency.

Lastly, with respect to our governance standards, all suppliers additionally sign a crime prevention compliance clause. Likewise, we take a zero-tolerance stance towards fraud and corruption.

Principles enshrined in the code of conduct for third parties



Although we have not audited our suppliers for ESG compliance, the supplier certification process and our continuous monitoring of how they manage projects, puts us in a position to be able to say that no transaction or provider with a significant risk of presenting cases of child labour, compulsory labour, mistreatment, discrimination or any other practice that puts profits ahead of social and/or environmental ends.

As we conduct all of our business in Spain, under the umbrella of Spanish law, we do not have any dealings with suppliers whose freedom to associate or right to collective bargaining could be in jeopardy.

All of our critical suppliers must endorse that Code of Conduct for Third Parties which includes requirements in the areas of human rights, labour rights and health and safety



Average supplier payment term

Below are the disclosures in relation to the average term of payment to trade supplier required under final provision two of Law 31/2014 (of 3 December 2014), prepared in accordance with the related Resolution issued by the Spanish Audit and Accounting Institute (ICAC) on 29 January 2016:

Average supplier payment term

Days	FY 2022-23	FY 2021-22
Average supplier payment term	56.22	60.04
Paid transactions ratio	57.78	61.33
Outstanding transactions ratio	35.85	49.63
Total payments made	**636.20 € m**	**465.6 € m**
Total payments outstanding	**48.76 € m**	**57.3 € m**

As required under article 9 of Law 18/2022 (of 28 September 2022), the following additional disclosures are provided in respect of FY 2022-23:

Pago a proveedores

	FY 2022-23
Monetary value of invoices paid within the legally stipulated deadline (€ m)	340.8
Percentage of total payments made	36%
Number of invoices paid within the legally stipulated deadline	50,510
Percentage of total invoices settled	**80%**

Health and safety during the construction phase

All the construction activity on AEDAS Homes developments is outsourced to construction companies.

The table shows the injury metrics for the construction companies that have worked on our developments over the last three years. The overall trend is positive, with current metrics well below the average for the construction sector. This performance is all the more remarkable considering the fact that the incidence of fatalities actually increased in the sector as a whole last year.

It is important to point out that there have been no fatal accidents on AEDAS Homes sites since the company was founded in 2016, which is all the more remarkable considering the significant increase in the number of developments we have broken ground on.

We are convinced that the implementation of Modern Methods of Construction (MMC), particularly in prefabricated structures and façades, will drive a reduction in the number of injuries during the masonry and structural works phases.

Contractor health and safety metrics

Injury metrics	FY 2020-21	FY 2021-22	FY 2022-23	YoY change, %
Injury frequency rate	12.1	17.69	16.39	-7%
Injury severity rate	0.16	0.24	0.18	-25%
Injury incidence rate	2.26	3.34	3.09	-7%

FY 2022-23 accident rate by contractor type



FY 2022-23 accident rate by accident cause



Supplier Certification and Evaluation of Health and Safety: Contractors

We certify and evaluate the key actors involved in the building of our developments: on-site Health and Safety Coordinators and contractors (construction companies).

The certification of the Health and Safety Coordinators is carried out based on their degree and experience in the sector, while the certification of the construction companies is carried out through a series of indicators. The main requirement is to hold ISO 45001:2018 certification to ensure they have a management system that is certified by an external body and compliant with Spanish legislation.

Their safety track record and, in particular, the number of fatal accidents suffered, are also taken into account during this approval process.

For this evaluation process, AEDAS Homes has developed a quantitative audit comprised of 13 blocks and 130 questions, through which the various aspects of Health and Safety of the development are evaluated.

During FY 2022-23, a total of 74 assessments were conducted; the average score was 74.24.

Health and Safety on site at our developments

AEDAS Homes has drawn up a specific procedure called “Health & Safety Specifications for Contractors”, which outlines and binds them to implementing the health and safety programme to be implemented at our construction sites, with an emphasis on health and safety training for all workers involved in our developments and the reports to be compiled to evidence compliance with that programme.

In turn, AEDAS Homes has designated a Health & Safety Coordinator at each of its developments, as stipulated in Royal Decree 1627/1996, using prestigious external firms who approve the health and safety plans presented by the contractors and follow up exhaustively on their execution.

With this aim in mind, the Health & Safety Process for the Construction Phase was implemented, in which the following activities are worth highlighting:

- Oversight of the Health & Safety Plan at the construction site (site visits)
- Coordination meetings (coordination of business activities, planning, etc.)
- Health & Safety coordination reports issued monthly
- Appendices to the Health & Safety plans

In turn, all the Health & Safety Coordinators designated by AEDAS Homes meet monthly to standardise criteria. Those coordinators have conducted over 3,600 site visits to our developments under construction.

Identification and compliance with legal requirements

In the health and safety studies that we prepare as developers, we identify the legal requirements that apply during construction.

Carrying out the ISO 45.001:2018 Certification Audits and the Health and Safety Legal Audit demonstrate compliance by AEDAS Homes, S.A. and its subsidiaries, with strict compliance with all regulations on occupational risk prevention.



La Maquia (Alcalá de Henares)

Supplier communication

We build trust-based relationships with our suppliers, whom we treat with honesty and objectivity, as set down in our **ESG Policy.** Likewise, we take a zero-tolerance stance towards fraud and corruption.

Putting a residential development on the market requires a significant degree of coordination among the various suppliers and an effort to reconcile all parties' interests. To listen to their ideas and foster collaboration, in 2022 we organised our first Tendering Workshops at our flagship showroom in Madrid.

During each of the three workshops, held in October, November and January, we brought together 40 preferred architects, engineers, site directors, contractors and sales agents to discuss the critical aspects of our property development process and how they might be improved.

To facilitate participation, in breakout groups of ten, these professionals followed dynamic methods for finding solutions for some of the issues raised. The key ideas emanating from that experience will be layered into the company's tendering processes.

AEDAS Homes 5th Annual Gathering of Architects

More than 100 architects from all over Spain participated in the fifth edition of the AEDAS Homes Gathering of Architects. Under the motto "Towards a More Humane and Sustainable Architecture", the architects debated about how their work should be transformed to meet the needs of contemporary society and make people's lives better, all of which reconciled with respect and care for the environment.

Our company's management extolled AEDAS Homes' strong relationship with its architects, looking back at the developments completed in FY 2021-22, and thanked them for their role in helping us achieve our corporate goals. We also used the time to listen to the architects' concerns in order to continue to improve mutual collaboration.



V Encuentro Nacional de Arquitectos AEDAS Homes

Our contribution to community development

We drive progress in our local communities by creating jobs, purchasing from suppliers and paying tax. Beyond the wealth we distribute to society, we are working to help young people find affordable housing solutions and configure future-proof housing through our commitment to modern methods of construction and our presence in sector forums. We also participate in a number of initiatives focused on social cohesion and urban regeneration.

Milestones

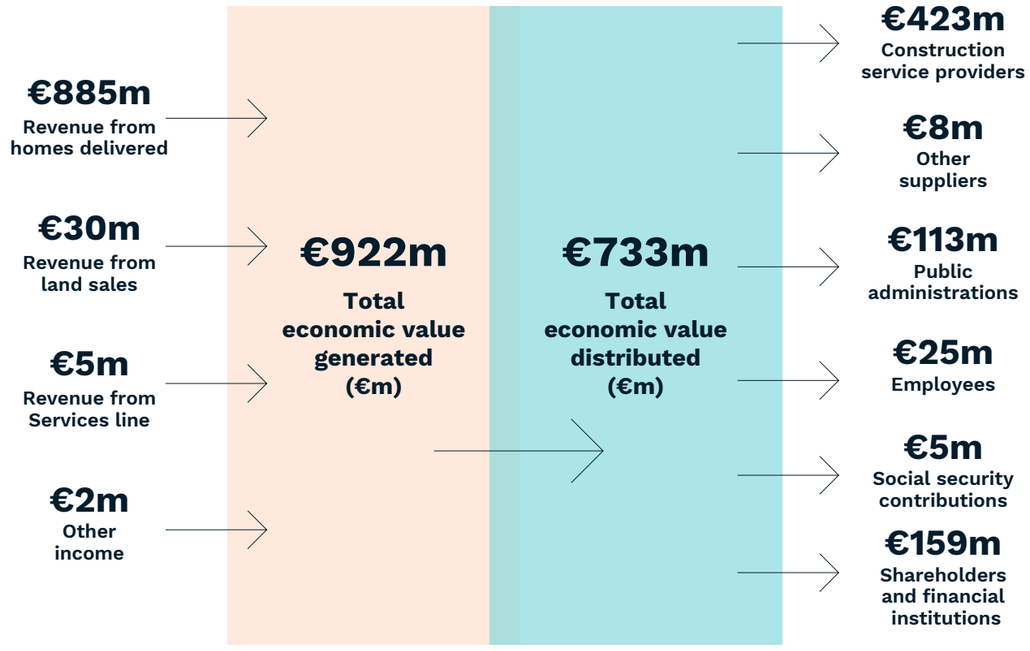
- €113 million in taxes collected in FY 2022-23
- Broke ground on 2.497 affordable rental units through the Madrid Region's Plan VIVE scheme and delivered 63 affordable homes to individuals
- Definition of future-proof housing and cities through participation in sector forums and events
- Consolidation of our ConLasArtes Programme
- Execution of sport sponsorships and social action programmes

Jardines Hacienda Rosario (Sevilla)

Value creation

Our residential development activity has a positive impact on society. We distributed €733 million to society in FY 2022-23 in the form of employee compensation, payments to suppliers, dividends and taxes.

Value generated and distributed



Tax paid

We believe that our tax payments constitute one of most important contributions to community prosperity. That conviction is embodied in our **Corporate Tax Policy**, approved in 2018, which sets out the principles governing our tax practices: transparency, integrity and prudence.

In FY 2022-23, our tax contribution totalled €113 million, of which €47 million was borne by us and €66 million was collected and paid on behalf of third parties.

To ensure alignment with best tax practices, we have established specific tax risk management controls within our control over financial reporting (ICFR) system.

our tax contribution totalled €113 million, of which €47 million was borne by us and €66 million was collected and paid on behalf of third parties

AEDAS Homes' tax policy principles



Transparency

We disclose relevant tax information concerning our activity and our stakeholders



Integrity

We observe tax law and collaborate in good faith with the tax authorities



Prudence

We weigh up the tax implications of our decisions before they are taken

Relations with public administrations

At AEDAS Homes, we engage with the local and regional authorities transparently, stringently respecting applicable legislation. Irreproachable conduct is key in land management processes, especially during the zoning, planning and construction permitting processes.

As set down in our **Code of Conduct**, we never make any payments to public officials or political parties that are not permitted by law.

Government grants received

In FY 2022-23, we did not receive grants related to income, nor did we receive them in FY 2021-22.

Our contribution to affordable housing

Access to housing is one of Spain's most pressing social problems, one that affects young people and low-income households in particular. To be part of the solution, at AEDAS Homes we are developing affordable housing for sale and rental. Through our asset-light Real Estate Services arm we are participating as development managers in private-public partnerships where local public administrations provide land for the construction of affordable housing to be operated and rented out by institutional investors.

Participation in Plan Vive Madrid

A good example of AEDAS Homes' commitment to developing affordable housing is its participation in the Region of Madrid's Plan Vive scheme, in which AEDAS Homes is acting as the project manager for the development of 3,582 affordable units located on land provided by 10 municipalities for subsequent rental.

As of March 2023, we had broken ground on 2,497 units in 14 Plan Vive developments (out of a total of 23) located in: Madrid-Valdebebas (3), Alcalá de Henares (2), Colmenar Viejo (2), Getafe (1), Tres Cantos (1), Torrejon (1) and Alcorcón (4).

Total revenue derived in FY 2022-23 invoiced by our Real Estate Service line for their end-to-end project management services related to the affordable housing developments currently under construction for Plan Vive totalled €1.77 million.

The housing being built under the umbrella of Plan Vive is varied in nature but all complies with stringent sustainability standards: the BREEAM® seal and "A" energy ratings across the board.

Thanks to that programme, from the second half of 2024, young people and eligible low-income households will be able to rent those homes at affordable prices. Moreover, the growth in supply is expected to alleviate market rents.

Affordable housing

In addition to our role in Plan Vive, AEDAS Homes has close to 500 units of affordable housing within its portfolio, of which 63 were delivered to customers in FY 2022-23, generating €11.76 million in revenue.

We are also involved in the management and/or development of nearly 300 affordable housing units for other third party customers through our Real Estate Services line. In FY 2022-23, we delivered 199 affordable units through this line.

AEDAS Homes is acting as the project manager for the development of nearly 3,600 affordable rental units located in 10 municipalities in the Madrid Region

Imagining the houses of tomorrow

As developers we assume our responsibility and duty to spearhead the transition to a new productive model in the built environment that is less dependent, more competitive and more resilient to economic and environmental crises. In other words, smart construction which must be associated with digital design, modern methods of construction, innovation and sustainability.

We are aware, however, that this transition requires joint action on the part of all of the agents involved in the real estate process if we are to combat climate change, raise housing quality standards, reduce accidents and speed up delivery timeframes.

To that end, we are active in forums and taskforces run by sector and professional associations and we participate in debates and we outline our vision of what good housing should embody in the media.

A good example of this intense institutional activity is our participation in the Accessibility and Urban Regeneration Forum (CSIC, January 2023), the Urban Regeneration round table event (Peronda, May 2022) and the MCH Master In Collective Housing UPM – ETH master class (UPM, March 2023).

Prominent role at Rebuild

AEDAS Homes played a prominent role in the National Advanced Architecture and Construction 4.0 Congress organised by the Rebuild trade fair, which is presided by the company's CEO, David Martínez. For the 2022 edition, seven of the company's professionals participated in the conference cycle, sharing their vision for and knowledge about the sector's present and future, emphasising potential implied by offsite construction.

New living models

We are also part of the paradigm shift unfolding in how we live through our membership of the COWORD Association of Shared Real Estate Spaces from which we are championing new living arrangements such as coliving, cohousing and other formulas that address housing problems.

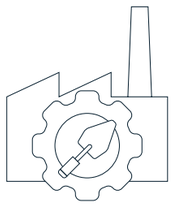
Association membership by aedas homes

Developer associations	Other associations
Granada Contractors and Developers Association - ACP Granada	URBAN LAND INSTITUTE - ULI
Seville Contractors and Developers Association - GAESCO	WIRES (WOMEN IN REAL ESTATE SPAIN)
Alicante Real Estate Developers Association - PROVIA	BUILDING CLUSTER
Cadiz Real Estate Developers Association - FAEC	EPRA (European Public Real Estate Association)
Malaga Contractors and Developers Association - ACP Malaga	MWCC (Madrid World Capital Construction)
Valencia Real Estate Developers Association APROVA	EMISORES ESPAÑOLES (Spanish Issuers Association)
Zaragoza Contractors and Developers Association - ACPZ	CIARE (Essential Know-How)
Balearics Real Estate Developers Association - PROINBA	CUMPLEN (Compliance Professionals Association)
Madrid Real Estate Developers Association - ASPRIMA	IAI - SPANISH INSTITUTE OF INTERNAL AUDITORS
Catalan Real Estate Developers Association - APRCE	ARCANO
Murica Real Estate Developers Association - APROVA	ASVAL (Landlords Association)
Las Palmas Contractors and Developers Association - AECPLPLA	ISMS FORUM SPAIN (Cybersecurity)
	GENERATION AND TALENT OBSERVATORY
	COWORD (Association of Shared Real Estate Spaces)
	CSCAE 2030 OBSERVATORY

Championing future-proof housing

At these events, we help define what the homes of the future should look like and what the development sector needs to do to make them possible.

Our presentations are designed to push the sector, and by extension Spain's housing stock, forward by focusing on the following aspects:



Offsite construction

Offsite construction presents an opportunity to tackle some of the sector's problems as it instils environmental respect, reduces workplace accidents, attracts skilled labour and mitigates uncertainty around timing and prices. Although it is not expected to replace traditional construction methods in the short term, we see it as a solid alternative and expect specific elements to be incorporating into the homebuilding process in Spain over time. To promote these Modern Methods of Construction, in 2019, together with Urban Land Institute, we published our White Book on Offsite Construction and created a website - **Offsite** - to explain how it works to the uninitiated.



Incorporation of sustainable construction criteria

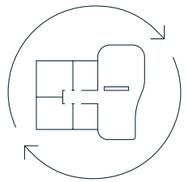
We urge residential developers to think about how they can rationalise the use of natural resources, embed energy efficiency measures and embrace new technologies in their developments.

By doing so we can create a path to reducing the adverse effects of the construction sector which in Spain accounts for 25% of the total carbon footprint and around 30% of all waste.



Affordable housing development

We participate in public-private partnerships to facilitate universal access to housing through affordable rental projects. The idea is for the authorities to provide the land, leaving the housing development in the hands of institutional investors, with both sides benefitting. We also see a need for a design-to-cost approach, layering cost considerations in at the drawing board phase in order to build more affordable housing.



Flexible living spaces

Already a trend in office development design, we defend the need to design more flexible living spaces that are readily adaptable to their inhabitants' evolving needs throughout their lives. Developments should be designed from the beginning to make it simple for users to modify their spaces. Smart layouts and the use of mobile partitions are good solutions.



Emotional architecture

Architectural designs need to be about delivering not only physical but also emotional wellbeing. We believe that new builds should layer in the tenets of neuro-architecture, which is the study of the psychological effects of living spaces depending on a range of aspects, including forms, colours and layouts. We devote some of our media columns to raising familiarity with this concept.



Universal housing accessibility

Housing accessibility cannot be limited to compliance with the ramp and passageway requirements laid down in the Building Code. There are a number of situations or disabilities that should be addressed at the design phase in order to make people's lives easier by considering each owner's personal difficulties due to age or disability (blindness, restricted mobility, etc.). Developers need to offer personalisation catalogues with optional smart home solutions and keyless entry. We are already doing this at AEDAS Homes..



Urban regeneration

We seek to share our vision and expertise with public authorities underpinned by our belief that cities have to be regenerated if we are to deliver the SDGs. Such an ambitious task requires public-private partnership. Our commitment to urban regeneration is tangible in several of our developments, including Cabot (Madrid), Ramon y Cajal (Seville) and Viria (Valencia).

At the Mesmer development in Badalona we will cede a commercial premises for use as a municipal library in response to residents demands, so creating a cultural nexus with the city.



New ways of living

The development sector is helping to address the issue posed by population ageing and the housing access difficulties faced by young people by offering innovative living solutions already tried and tested in other countries. For example, the senior housing concept for people aged 55 or older, an established model in the US, Australia and the UK, and co-living arrangements for young people getting started in the labour market. AEDAS Homes Real Estate Services is working to gather all the parties needed to create these kinds of opportunities and, together with a number of associations, we are lobbying the authorities to eliminate red tape that may be acting as a barrier.

Social action

We get involved in delivering economic, social and cultural progress in the communities where we build our developments. That commitment is articulated around three lines of initiative: artistic initiatives; sport sponsorships; and charity projects.

ConLasArtes by AEDAS Homes

This cultural initiative, which is unique in its sector, marries art and urban development. Our goal is to get behind initiatives that raise the profile of artistic works and, in parallel, integrate art and culture in the cities where we are present.

Created in 2021, the programme takes the form of a series of international competitions across a number of artistic disciplines, rewarding works that add value to the areas surrounding our developments. In FY 2022-23, we earmarked €186,000 to these initiatives, organised with the help of various town and city councils, universities and cultural institutions.

Besides these activities, we support other culture and leisure activities, such as the 'Magical Nights' of San Juan de Alicante, Christmas street lighting in Seville, the ice-skating rink in Plaza BiB-Rambla in Granada and the Cabaret Festival in Mairena de Aljarafe.

Conlasartes competitions, FY 2022-23

Photography contest titled 'People in Cities'
Alcalá de Henares

This competition shone the lens on the people of Alcalá de Henares, while helping to raise the profile of up-and-coming talent. The photographs selected were then displayed at an exhibition set up at the university entranceway (CRAI). The local city hall and university both collaborated on this initiative.

Illustrated Short Story Competition titled 'Microtales from the Palace'
Boadilla del Monte

Here we partnered with the Friends of Boadilla del Monte Palace Association, the magazine Solo Boadilla and Boadilla city hall to launch this writing competition with the palace as backdrop. The 30 finalists' stories were published in a book.

'Ceramic Sculptures in Quinta Alegre' competition
Granada

The winning sculpture was given to Granada city council to decorate one of the rooms inside the Quinta Alegre Palace. We were helped for this competition by the city council of Granada and the local potters group.



ConLasArtes by AEDAS Homes

Ceramic mural '39 trees and a flower' competition
Terrassa

Competition for the design and crafting of a work of art made from ceramics for integration at the Herolt residential building in Terrassa. The winning mural is on permanent displace on the building's north façade. It was organised with the help of the city council of Terrassa and the Catalan potters' association.

Song-writing competition '(D)Espacio Vital'
Valencia

Prize for emerging Spanish solo singers or bands who were asked to write a song with 'home' as its theme. The title of the competition is a play on words to evoke the concept of home but also an adverb to depict how time slowed down during lockdown, forcing us all to spend more time at home. Berklee Campus in Valencia and Valencia city hall collaborated with us on that contest.

International Urban Sculpture Contest in the city of Pamplona '1234'
Pamplona

In collaboration with Pamplona city council, we created a competition to mark the 60th anniversary Privilegio de la Unión, the deed that effectively created today's city. The goal was to transmit its residents' values: unity, cohesion, tolerance and brotherhood.

International Urban Art Competition Estepona-Jardín la Costa del Sol
Estepona (Malaga)

The idea behind this competition was to spur an artistic intervention applied to paving in a newly built square beside the city hall.

First International Short Film Competition - 'The Biodiversity Market'
Alicante

AEDAS Homes and Alicante city hall launched this international contest with the goal of commemorating the hundredth anniversary of the city's Central Market.

First International Prehistoric Urban Design Competition Rincón de la Victoria
Malaga

Call for artistic intervention for the paving and walls of the basketball courts located in the vicinity of the local caves and archaeological park.

First International Urban Sculpture Competition - 'The Best Donation'
L'Hospitalet de Llobregat

AEDAS Homes and L'Hospitalet de Llobregat city hall (Barcelona) asked artists to create a piece to pay homage to the altruism embodied by blood donors.



Jornada de voluntariado con empleados y familiares junto a la sociedad Ecoherencia

Charity projects

Each year, we carry out a Social Action Plan to support groups or communities in need by means of specific charity projects. Our involvement in these projects is not limited to making donations; we also involve people and businesses. In FY 2022-23, we earmarked €66,000+ to these projects.

Charity projects, FY 2022-23

Charity Challenge
8 peaks 1 cause

We organised a charity challenge consisting of climbing the eight highest peaks in the province of Andalusia in less than 48 hours to raise awareness and money for the Red Cross's local care programme for hospitalised children. The money raised is being used to upgrade the children's wings of the Red Cross hospitals in Andalusia.

Multiple sclerosis Seville

The Andalusia & Canaries Regional Branch, which won last year's edition of our Health & Safety Awards, chose to donate the resulting €3,000 to this charity.

AAESI - Association for Emotional Support for Gifted Children

The Madrid Regional Branch, also winners our Health & Safety awards last year, which ended in a tie, choose this charity for the donation of their €3,000 of winnings.

Third Charity Padel Tennis Tournament - Costa del Sol Real Estate Sector

The money raised through the Building the Future Association is helping to fund construction of a new pavilion for a school in Uganda.

AEDAS Homes Charity Challenge
Passion for cycling

Charity challenge consisting of a bike race through Alcalá de Henares in order to encourage cycling as a sustainable mobility option and raise money for track bikes and indoor trainers for children from the Rodríguez Magro school who cannot afford them. We raised enough for 18 bikes and 6 trainers.

Collaboration with UNHCR to raise Money for Ukraine

Since the onset of the conflict in Ukraine, AEDAS Homes has been working with the UN's NGO for refugees, UNHCR, donating money to help with the humanitarian crisis. More specifically, the company is tripling the monthly donations which some employees have agreed to have deducted from their payrolls. By year-end, we had raised €39,000+ and that work remains ongoing.

L'Hospitalet de Llobregat Night Race

Night-time charity run in the city of Hospitalet de Llobregat with 3,600+ adults and 600 children participating.

The money raised is being used to upgrade the employee rest areas at HUB, the Bellvitge Teaching Hospital.



Reto solidario AEDAS Homes en Alcalá de Henares

Sport sponsorships

We believe in the transformational power of sport and we fully identify with its values: sacrifice, passion, teamwork, comradeship, respect and ambition. That is why we sponsor a number of different sports teams and events in the places we carry out our developments. In FY 2022-23, we earmarked €167,842 euros for sport sponsorships.

Thanks to our sponsorship work, we received the Cervantes Sport Award for supporting sports clubs and activities in Alcalá de Henares.

Sponsorship of sports events in fy 2022-23

RCD Mallorca Football team

Advertising sponsorship in the stadium during Liga Santander and Copa de S.M. El Rey matches in the period corresponding to the 2021-22 season.

Pozuelo Rugby Club

Sponsorship of the school teams and third team (approx. 300 players)

Schools Tournament, Under 6s, Under 8s, Under 10s and Under 12s. Participation by Pozuelo Rugby Club, Marbella Rugby Club and Olímpico.

Pozuelo Basketball Club

Sponsorship of 12 teams (160 players) under the name of Pozuelo Montegancedo Basketball Club.

Minibasket Montegancedo 2021 Tournament.

Pozuelo Hockey Club

Sponsorship of the women's first team.
Sponsorship of hockey schools (approx. 120 children)

Vilanova Sailing Club

Exclusive sponsorship of the Sailing School's activities.

Sponsorship of the 42nd Columbretes Regatta - AEDAS Homes Grand Prize and Interclub Tournament with the participation of the Garraf i Sitges Sailing Club.

Marbella Rugby Club

Sponsorship of the Under 6s, Under 8s, Under 10s, Under 12s, Under 14s, Under 16s, Under 18s and Seniors.

38Th Granada Half Marathon

Sponsorship of the half marathon organised by the Granada City Hall annually.

L´etape by le tour de France, Villanueva del Pardillo

Sponsorship of this cycling activity which is aligned with our sustainability focus, specifically the use of bikes as a green mode of transportation and the 15-minute city urban planning concept Lead sponsor of the Family Ride which brings together 100+ people for a bike race through the city of Villanueva del Pardillo



Patrocinio del Club Baloncesto Alcalá



Patrocinio del Marbella Rugby Club

Hockey per Terrassa

Sponsorship of the Sports Association encompassing the four main hockey clubs in Terrassa with 9,000+ members in total and 1,200+ local and international matches a year.

The four clubs are home to a total of 164 teams from the youngest age categories to the first division. 2,000+ players in total.

Alcalá Rugby Club

Sponsorship of the Under 6s, Under 8s, Under 10s and Under 12s. 70 girls and boys play together in these categories.

Alcalá Basketball Club

Lead sponsor of the EBA Men's League and the Women's First Division Regional League (12 players)

15K Night Run in Valencia

Sponsorship of a 15k night run in Valencia organised by the Valencia Athletics Club Foundation which brings together 9,800+ runners each year to run 15k through the city centre.

Real Betis Football

Sponsorship of the football and basketball teams.

Youth Athletics Club Alcalá – AJALKALÁ

Purchase of 18 bikes for €4,842 for the cross country school bike racing challenge organised in Alcalá de Henares.

Granada Ice Rink

Sponsorship of the ice rink installed in the Plaza Bib-Rambla in Granada during the Christmas period. 23,000+ citizens and 1,500+ schoolchildren were able to enjoy this activity.

Club Murcia Challenge

Official sponsor of the Total Energies Marathon Murcia Costa Cálida, in which 7,000+ people participated.

Montemar Athletic Club

Official sponsor of the 27th Aguas de Alicante International Half Marathon & 10k. This race brings together 3,000+ runners.

RunRun For Your Life

Sponsorship of the 1st Prosolia Women's race in Alicante in 2023, with 800 runners participating.

Towards sustainable construction

Trailblazers in sustainable construction

Environmental footprint of our developments

Environmental footprint of AEDAS Homes

Maremma (Palma de Mallorca)



Milestones

- 100% of our development construction work carried out to specifications aligned with the Green Book or another prestigious seal
- 500+ units finalised built partially or entirely offsite in FY 2022/23
- Agreements for the use of more environmentally-friendly construction materials such as sustainable concrete and recycled aluminium
- Construction of our first multi-storey mass timber development

La Maquia (Alcalá de Henares)

Trailblazers in sustainable construction

Since we started in the business in 2016, we have been strongly committed to protecting our natural surroundings and combatting climate change. That commitment translates into the use of Modern Methods of Construction (MMC) and application of the highest sustainability standards, as set down in our Green Book.

Offsite construction

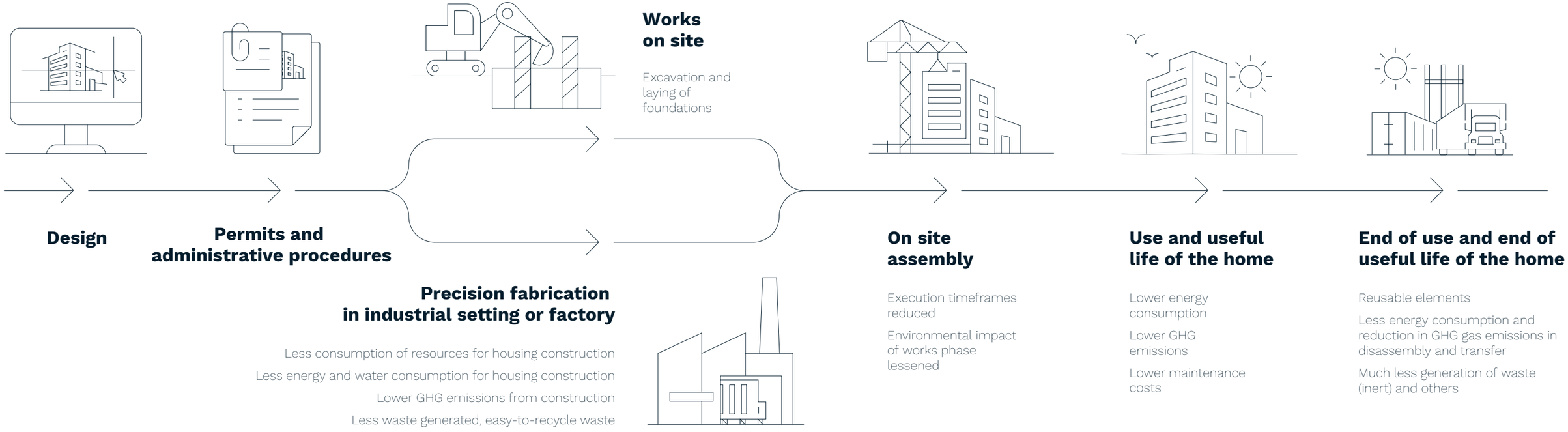
We embed circular economy criteria into our housing designs and construction plans using Modern Methods of Construction (MMC). We have been championing large-scale offsite homebuilding since 2018, with close to 4,000 delivered units across 70+ developments built partially or entirely offsite to date.

Offside construction involves making some or all of a new home away from its final site, usually in a factory. The use of Modern Methods of Construction enhances construction processes and quality.

Offsite construction is more environmentally friendly as it virtually eliminates the use of water, slashes the volume of waste generated and lowers emissions. There are also multiple benefits for end users, as offsite construction compresses delivery times while boosting execution standards. Workers also benefit as offsite construction leads to a drastic reduction in accidents and better working conditions as the units are built in controlled environments.

Thanks to the progress made in the past year, we have the ambitious target set out in our ESG Strategic Plan in sight, which is that 25% of the homes delivered from FY 2023-24 will be built partially or fully offsite.

Environmental benefits of offsite construction



First multi-storey development with a mass timber structure

2022 is a milestone year for sustainability at AEDAS Homes, since we broke ground on our first multi-storey development made with a mass timber structure: Fioresta. The development, designed by architect Iván Carpintero and executed by 011h in San Juan de Alicante, delivers a reduction in CO_2e emissions from the production of building materials of 38%. It is the first apartment building with a timber structure to go up in Valencia.

The Fioresta building is a landmark in our journey towards innovative and sustainable construction as it is the first of a number of developments that will use timber structurally. Specifically, the non-visible structure of several buildings will be made from timber, specifically cross-laminated timber (CLT) panels, beams and pillars to weave lightweight trusses that are solid and durable, creating optimal structural resilience.

Thanks to process digitalisation and offsites construction, the Fioresta development will take just 15 months to build, which is 30% shorter than using traditional construction methods.

Timber is the most environmentally-friendly construction material. It is made by nature, it is 100% recyclable and biodegradable and its carbon footprint is radically smaller than that of traditional materials. Not only does it not emit CO_2 during its manufacture, but it actually absorbs it. Moreover, it is resilient, durable and an excellent thermal insulator, making the resulting homes healthier and more comfortable to live in.



Fioresta (San Juan de Alicante)

Standardisation of environmental criteria at our developments

In 2020, we created the first sustainable housing seal in the Spanish residential development market: Ecoliving®. That seal certifies the sustainability measures implemented at each home, framed by the standards set down in our Green Book.

The Green Book is an open guide for the implementation of sustainability measures and requirements at our residential developments. Updated in 2021 and renamed the AEDAS Homes Green Book 2.0, it groups our environmental requirements into 10 categories: energy, health and wellbeing, water, waste, materials, mobility, biodiversity and integration, society, sustainable design and construction and offsite systems.

During the development design phase, the development manager has to select at least one measure from each category to obtain the Ecoliving® seal. Depending on the number of measures implemented and their weightings, the development will receive one of the following sustainability ratings: basic, medium, high or excellent.

The measures implemented are set down in the Ecoliving Dossier, one of the documents delivered to our customers. In that way we impress upon our customers the benefits of living in a sustainable home.

We also devote a section of the Building Specifications Book to describing the homes' sustainable, efficient and wellness features. That section highlights the environmental advantages of an AEDAS Homes home and provides tips as to how customers can keep their homes as comfortable, energy efficient and healthy as possible.

In FY 2022-23, for the second year running, we delivered our strategic target of building 100% of our developments to specifications aligned with the Green Book or another prestigious seal. Specifically, 83% of our finished developments meet the sustainability requirements set in the Green Book and 17% are BREEAM certified. Moreover, 18% of the total boast 'high' sustainability ratings.

How the Green Book is applied (stages)



STAGE 1

Identification

Identify the sustainability measures to be implemented in the development

STAGE 2

Installation

Set up the Ecoliving Corner at the development sales office

STAGE 3

Documentation

Prepare the Ecoliving Dossier

STAGE 4

Analysis

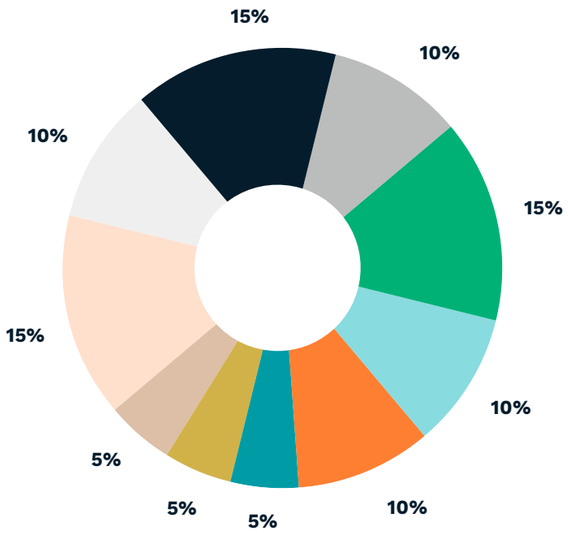
Carry out a Life Cycle Analysis on the development

STAGE 5

Training

Train the sales team on the development's sustainability features

Weight of each environmental aspect in AEDAS Homes Green Book



- Energy
- Health and wellbeing
- Water
- Waste
- Materials
- Mobility
- Biodiversity and integration
- Community
- Sustainable design and construction
- Modern Methods of Construction (MMC)

Use of sustainable materials to transition towards a circular economy

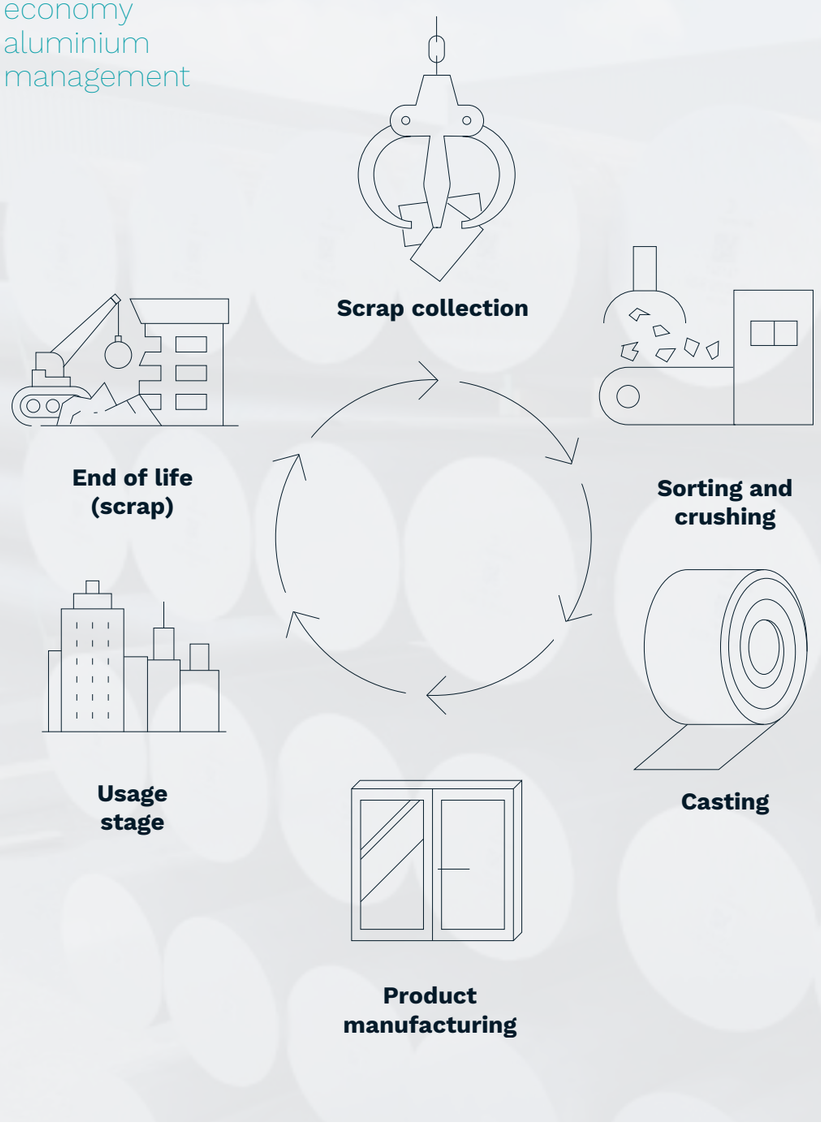
We are committed to using sustainable construction materials to reduce the environmental impact of our developments.

To select the most suitable and environmentally-friendly materials, we assess their environmental impact throughout their life cycle. We also encourage the use of materials produced locally in order to contribute to our local communities' economies and reduce emissions derived from their transportation.

Our interest in sustainable materials is evident in the agreement entered into in February 2023 with Holcim Spain for the construction of three developments with nearly 200 units using ECOPACT, low-carbon concrete which reduces CO_2e emissions by between 30% and 70% by comparison with traditional concrete and cement. It is also the first range of concrete to boast its own Environmental Product Declaration (EPD).

We also struck an agreement with Technal for the first residential development in Spain made from 100% post-consumption recycled aluminium, Soul Marbella Sunshine, which will reduce CO_2e emissions by 75% by comparison with traditional aluminium.

Circular economy aluminium management



Circular economy construction criteria

Construction of a residential building generates a vast amount of waste and materials can go to waste, many of which are harmful for the environment.

AEDAS Homes' concern for minimising the impact of its construction waste is evident in the chapter of the Green Book dedicated to offsite construction solutions. That same chapter encourages the installation of recycling facilities (during the usage stage) additional to those stipulated in building regulations, such as containers for the collection of used cooking oil, batteries and clothing.

In addition, AEDAS Homes has implemented a rock wool (insulation) recovery and recycling service at the Fioresta development using the Rockcycle service provided by the manufacturer, Rockwool, thanks to which pallets and surplus rock wool at construction sites are collected and brought back to the factories for processing and recycling make a new, high-quality, durable insulation material, preserving its original properties and preventing that waste from ending up in a landfill.

Sustainable housing with the ecoliving® seal

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

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

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

Water savings compared to standard levels thanks to the use of low-flow taps, sustainable drainage systems, drip irrigation systems and rainwater gauges.

Nearby public transport stops.

Bicycle parking spaces.

Salt water chlorine systems in swimming pools to reduce the amount of chlorine used.

Native plant species planted in green areas.





Maremma (Palma de Mallorca)

Common facilities configured to optimise energy efficiency and lower costs.

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

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

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

Use of materials produced no more than 400 km away.

Pre-installation of electric vehicle charging stations.

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

Energy performance certificates with an ‘A’ rating in terms of consumption of non-renewable primary energy and CO_2 emissions.

Common areas with natural lighting and ventilation.

Dedicated areas for recycling containers.

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

Environmental footprint of our developments

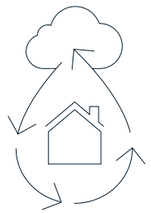
One of the goals set for 2030 in our ESG Strategic Plan is to neutralise 50% of the greenhouse gas emissions associated with the carbon embodied in our developments. Aware that we cannot improve what we do not measure, we measured our developments' impact using Life Cycle Assessment (LCA) methodology once again last year.

Milestones

- 59% of the developments completed in FY 2022-23 boast 'AA' energy performance certificates and 62% of developments activated this past year are targeting an 'AA' certificate
- Life Cycle Assessment (LCA) carried out on 100% of the developments completed in FY 2022-23 (delivering this milestone for the second year in a row)
- One tree planted for every home delivered
- Rainwater and/or grey water reusage systems installed at 32% of the developments completed by AEDAS Homes
- 37% of the developments completed in FY 2022-23 have been fitted with sustainable drainage systems

Linneo (Mislata)

Our buildings stand apart for their respect for nature and their use of offsite construction methods, low-carbon materials and energy saving measures. Last year, we continued to make progress on execution of our ESG Strategic Plan by implementing the following initiatives:



Life Cycle Assessments (LCA) carried out at all developments

We completed LCAs at all of the 41 developments that completed construction in FY 2022-23. This analysis includes a calculation of the equivalent CO_2 corresponding to the different stages or phases evaluated during the life of the building (50 years), from extraction of the raw materials to manufacture of the materials and their distribution, construction, use and maintenance of the building, waste management (landfill vs. recycling) until demolition or deconstruction of the development (end of life). Those calculations are calculated using One Click LCA software and are aligned with the UNE EN 15978 standard.

Results of our Life Cycle Assessments

Phases	Emissions (kg CO_2e/m^2 year*
Embodied carbon (phases A1 to B5 and C1 to C4)	20,61
Operational carbon (phases B6-B7)	7,33

(*) The unit of reference used for the surface area is the useful interior floor area of the developments (as stipulated in LEVEL(s))



‘AA’ energy performance ratings obtained at 59% of the developments completed in FY 2022-23

In a country in which 70%+ of the housing stock has very poor energy ratings (‘E’, ‘F’ or ‘G’), here at AEDAS Homes we attained ‘AA’ performance ratings at 59% of the developments completed last year, marking a significant increase compared to FY 2021-22, when 42% of the completed developments obtained an ‘AA’ rating.

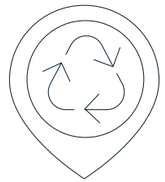
Likewise as part of our effort to reduce energy consumption and emissions, in October 2022, we struck an alliance with Iberdrola for the promotion of sustainability at residential developments, the first partnership of its kind between a developer and an electric utility in Spain. Under the agreement, Iberdrola is our key partner for the supply and installation of solar panels and EV chargers at our developments in Madrid area.



Sustainable drainage

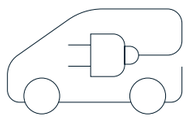
In 2022, we made progress on the installation of sustainable drainage systems, mainly green roofs and landscaped areas, which are designed to favour the natural water cycle. These systems reinject rainwater into the soil without contaminating it and capture water while it is still in optimal condition for reuse, stopping it from running off over paving. 37% of the developments completed in FY 2022-23 featured sustainable drainage systems, well above the 25% targeted in the ESG Strategic Plan.

Moreover, 32% of the developments finished in FY 2022-23 have water (rainwater and/or grey water) recovery or reuse systems to meet the gardens’ watering requirements, similarly topping the target of 25% set down in our ESG Plan.



Installation of recycling facilities

39% of the developments we completed in FY 2022-23 have been fitted with recycling facilities with designated containers where occupants can deposit used clothing, cooking oil and batteries without having their leave the building, again topping the ESG Plan target of 25%. This circular economy measure also reduces emissions derived from transportation to other recycling stations.



In addition to these measures set out in our ESG Strategic Plan, our developments also feature novel sustainable services. At one of our developments we have set up a coworking facility. Another good example is the pioneering agreement with Activacar at our Soul Marbella Sunset development, the first residential complex in Spain where residents will be able to avail of a fully-electric mobility service by booking electric vehicles by the hour or day from a user-friendly mobile app. Soul Marbella will also have e-bikes.

Pollution

In addition to the measures rolled out to reduce the environmental impact of our developments during their useful lives, we require our contractors to have ISO 14001 certification to ensure that pollution during construction work, including noise and light pollution, does not exceed the limits set in applicable legislation.

Our Green Book 2.0 urges development managers to check the developments' waste studies to assess the construction systems used and propose solutions to reduce its generation. That guide also encourages the reuse and recycling of waste and the prevention of toxic residues.

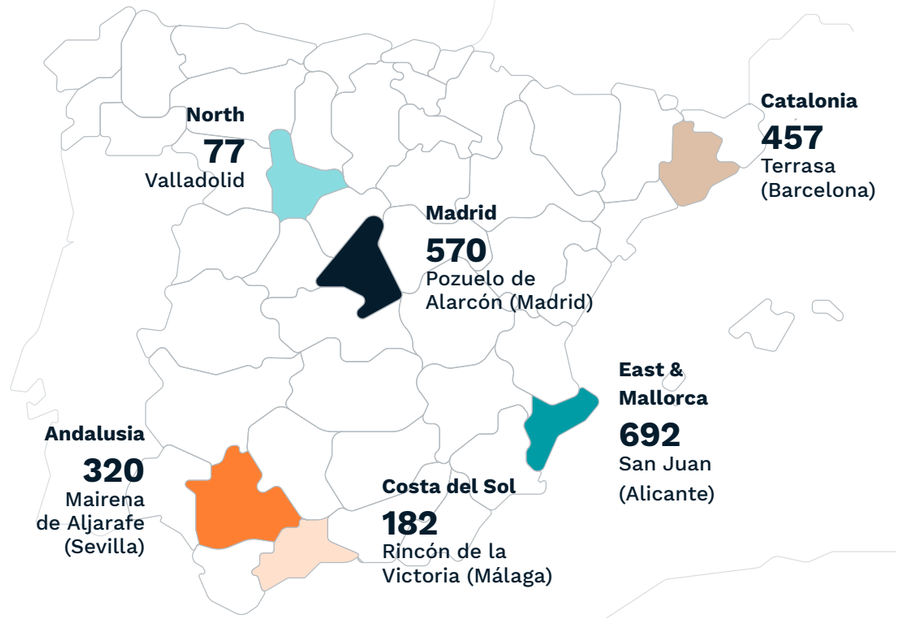
Offsets

We have pledged we will plant one tree for every home delivered. In FY 2022-23, we planted a total of 2,298 trees, one for every home delivered by each of the Regional Branches, selecting a variety of species to suit the local climate. Assuming that they all live for at least five years and that 50% live for 50 years, those trees stand to absorb 569.71 tonnes of CO_2 (using the absorption calculator recommended by Spain's Ministry of Green Transition).

The trees were planted by AEDAS Homes employees and their families during a volunteering day, with the help of professionals.


Silgar (Sanxenxo)

Tree planting 2022



Regional Branch	Location	Total saplings planted	Nº. of saplings planted on Volunteer Day	Nº. of saplings planted by professionals	Nº. of participants	Date of Volunteer Day	Sequestration (tonnes of CO_2)
Catalonia	Terrasa (Barcelona)	457	72	385	16	26/11/2022	59.58
North	Valladolid	77	77	0	10	26/11/2022	4.86
Madrid	Pozuelo de Alarcón (Madrid)	570	300	270	24	26/11/2022	101.19
East	San Juan (Alicante)	692	43	649	24	26/11/2022	100.84
Andalusia	Mairena de Aljarafe (Sevilla)	320	School children: 52 Employees: 61	207	School children: 52 Employees: 21	Sch: 25/11/2022 Emp.: 26/11/2022	58.46
Costa del Sol	Rincón de la Victoria (Málaga)	182	28	154	15	26/11/2022	244.78
TOTAL		**2,298**	**633**	**1,665**	**166**	**-**	**569.71**

Environmental compliance

At AEDAS Homes we comply with and exceed our environmental legal requirements in the regions where we carry out our development work. Our Green Book, which is binding upon all developments, was updated in 2021 to reflect the latest regulatory developments and layer in other universally recognised environmental strategies.

We did not receive any fines for non-compliance with environmental laws or regulations in FY 2022-23.

No fines for noncompliance with environmental laws or regulations were received



Lambot (Madrid)

Environmental footprint of AEDAS Homes

Our environmental commitments begin at our facilities. Although we are conscious that our offices and points of sale only have a limited impact on the environment, we are committed to energy efficiency, resource rationalisation and proper waste management in our everyday operations. We also encourage our employees to adopt responsible practices.



Sanabria (Villanueva del Pardillo)

We monitor the impact of our activity on the environment by means of our UNE-EN ISO 14001:2015 certified Environmental Management System.

80% of the developments that were active in FY 2022-23 were covered by that system, a percentage which reflects the start of business activities in new regions and the creation of a new division (Real Estate Services) last year. The scope of the management system will be expanded to include those new activities in FY 2023-24.

Environmental management at our facilities* is articulated around three lines of initiative: consumption (electricity, water and fuel), proper waste management and awareness.

AEDAS Homes has a Civil Liability Policy, which covers accidental environmental damage up to a total of €15m per claim.

Environmental Record (*)

	2021-2022	2022-2023
Emissions (Scope 1 and Scope 2)**	-	147,279 tCO_2e (75,203 + 72.076)
Electricity consumption	312,198 kWh	314,742.3 kWh
Water consumption	1,642 m^3	1,301.38 m^3
Fuel consumption	Diesel: 22,475.55 l Gasoline: 1,901.44 l	Diesel: 27,496.7 l Gasoline: 2,629.41 l
Paper waste generated	2,322 kg	4,643 kg
Toner waste	69 kg	66.5 kg



Gaetana III (Torrejón de Ardoz)

(*) Calculated for the offices within the scope of the Environmental Management System(100% of AEDAS Homes Offices)
(**) Scope 1 and 2 data not available for FY 2021-22. Emissions factors utilized come from MITECO.

Carbon footprint

AEDAS Homes generated 147.279 tCO_2e of greenhouse gas (GHG) emissions in FY 2022-23.

This carbon footprint encompasses the emissions released by the company onsite as a result of the fuel consumed by leased vehicles (Scope 1), as well as the indirect emissions derived from the electricity it consumed (Scope 2), calculated using the methodology set down in the Green House Gas Protocol (GHG).

Water consumption

Our offices and points of sale used 1,301.38 m^3 of water, which is 20% less than in FY 2021-22.

Electricity consumption

Electricity consumption at our head offices and the offices covered by our Environmental Management System amounted to 314.742.30 kWh in FY 2022-23, growth of 0.81%. The year-on-year growth in electricity consumption reflects the inclusion of new offices within the scope of that system.

In 2022-23, we arranged electricity supply contracts contemplating renewable energy only (for example at our new head offices and at the office in Vigo), which now cover 25% of total consumption at the offices within the boundary of the environmental management system.

Waste management

The waste generated at our offices and points of sale is largely urban waste managed in accordance with the regulations in place in each municipality.

To prevent environmental damage, we encourage selective waste collection by installing recycling bins for each material, thanks to which we facilitate the recycling of paper, board, plastic, batteries and toner, which is passed along to authorised handlers.

In FY 2022-23, we continued to use our electronic signature system for all documents that used to require physical signature, so generating environmental savings.

In FY 2022-23, we generated 4,643 kg of paper waste and 66.5 kg of toner waste.

Environmental savings at AEDAS Homes

GHG emissions reduced by **227,796 kg**

Water savings of **2,384,751 litres**

Timber savings of **97,049 kg**

15,770 kg of waste eliminated

That is equivalent to:

Taking **45 cars** off the road

Avoiding **454 wash cycles**

Preserving **641 trees**

Encouraging responsible practices among employees

To raise employee awareness about the need to save resources and recycle, we place posters with recycling guidelines and tips for saving natural resources in kitchens and bathrooms and on printers.

Managing climate change risks

The climate change crisis is one of AEDAS Homes' biggest challenges. The global warming caused by emissions is driving significant changes in the climate, including extreme climate events such as prolonged droughts and heatwaves, with grave consequences for the environment and human health.

Here at AEDAS Homes, we are aware of the sector's duty to contribute to the transition to a more sustainable economic, social and governance model. Our strategic commitments look beyond our regulatory requirements as we move out along the roadmap set by our ESG Strategic Plan 2021-2023.

In FY 2022-23, we began, with the involvement of all our business areas, the task of analysing our climate change risks in order assess their significance on a company-wide basis and include the most relevant factors in our corporate risk map.

To conduct this analysis we are following the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) in order to effectively identify, assess and report on our climate risks.

That climate risk management methodology entails:

Risk identification

Following the categories recommended by the TCFD, we are identifying our physical risks, related to the physical impacts of climate change, which may be event driven (acute) or longer-term shifts (chronic) in climate patterns, and our transition risks, derived from transition to a low carbon economy, including changes in regulations (policy and legal risks), public opinion (reputation risk), technology (technology risks) and stakeholder demands (market risks).

Risk assessment

Once we have identified our climate risks, we will assess their potential impacts on the organisation, contemplating reputational, operational and financial aspects, and their probability of occurrence.

Risk monitoring and oversight

We will establish a plan for regularly tracking and reviewing the risks so identified by establishing appropriate performance indicators and controls.

With input from all our business units, we have begun the task of analysing our climate change risks in order assess their significance on a company-wide basis and include the most relevant factors in our corporate risk map

Corporate governance

Corporate governance model

Governing bodies

Business ethics

Risk management

Internal audit function

Integration of ESG aspects into the risk model

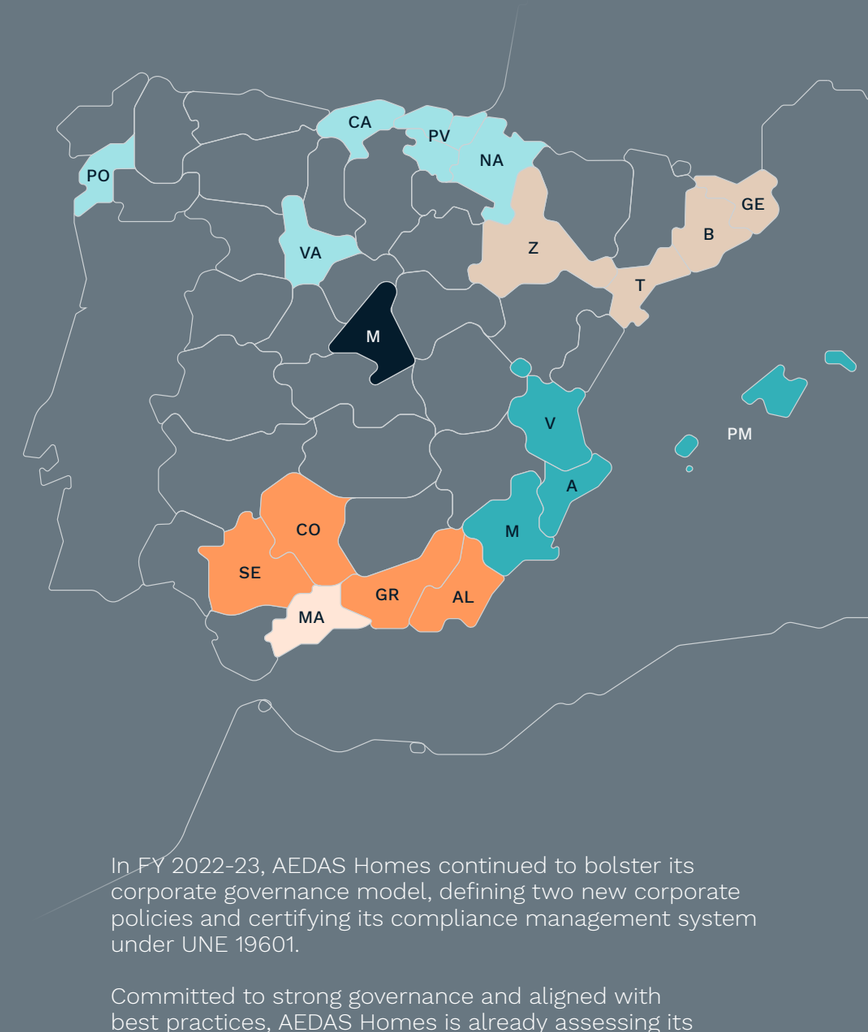
Corporate governance model

Our effective corporate governance model is articulated around delivering our corporate targets and generating stakeholder confidence. Underpinned by a code of ethics, prevailing legislation and best practices in governance, we have configured a set of internal rules and regulations to define how our governing bodies work, regulate our dealings with third parties and ensure appropriate risk management.

AEDAS Homes' corporate purpose is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.

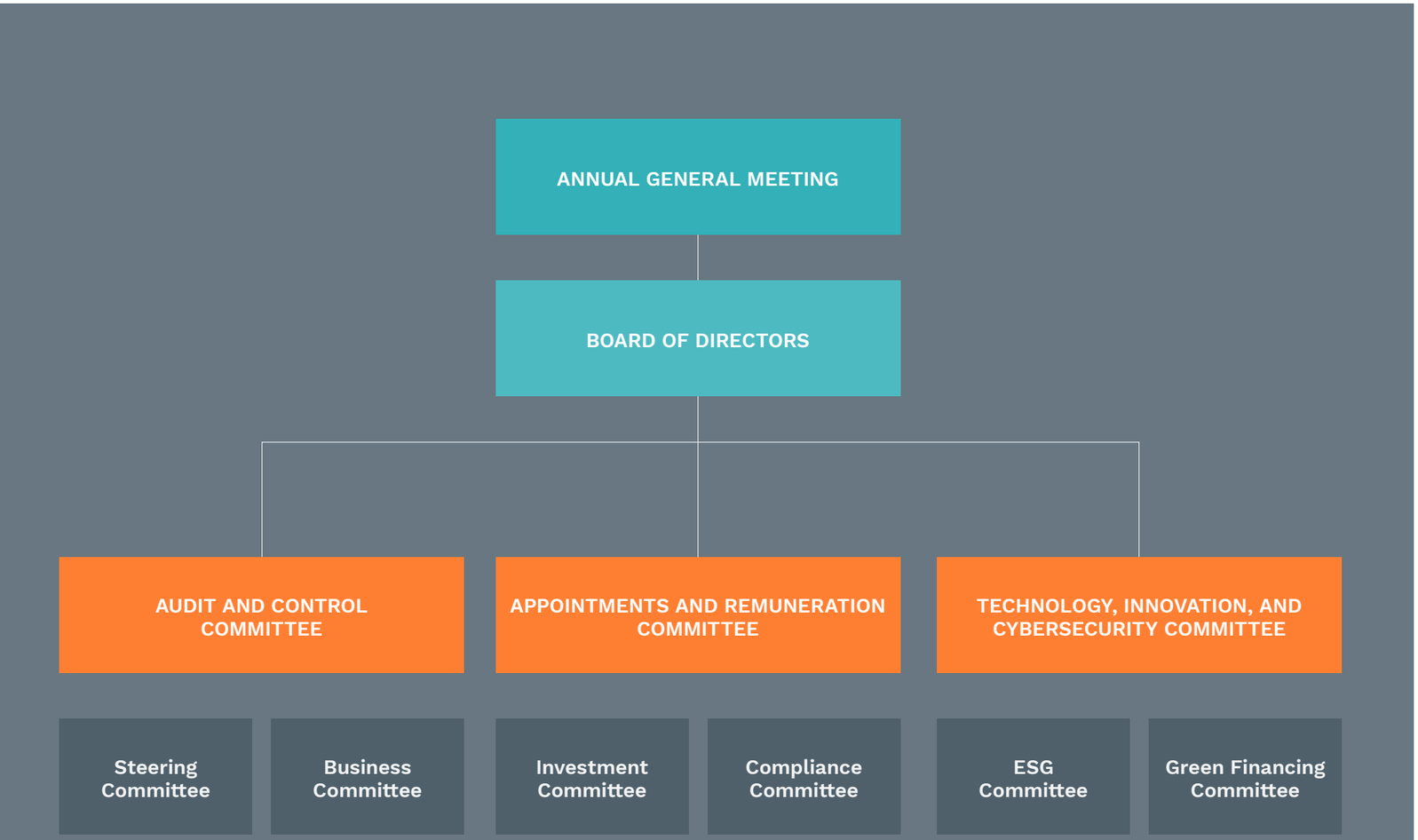
AEDAS Homes has its headquarters in Madrid and operates six Regional Branches, which are located in the key markets for new-build homes in Spain:

- **Madrid Regional Branch**
- **Catalonia & Aragon Regional Branch:** Barcelona, Tarragona, Girona and Zaragoza
- **Andalusia & Canaries Regional Branch:** Seville, Cordoba, Granada, Almería and the Canary Islands
- **East & Mallorca Regional Branch:** Valencia, Alicante, Murcia and Mallorca
- **Costa del Sol:** Malaga
- **North:** Valladolid, Pontevedra, Navarra, Cantabria and the Basque region



In FY 2022-23, AEDAS Homes continued to bolster its corporate governance model, defining two new corporate policies and certifying its compliance management system under UNE 19601.

Committed to strong governance and aligned with best practices, AEDAS Homes is already assessing its cybersecurity governance model in the wake of approval of the Cybersecurity Good Governance Code by Spain's National Cybersecurity Council on 14 March 2023. AEDAS Homes views cybersecurity as crucial to its resilience and sustainable growth.



Governing bodies

Our solid corporate governance structure facilitates strategic decision-making. At the top of this structure are our Annual General Meetings and Board of Directors, who diligently govern and administer the company, the latter through three committees, ably assisted by other committees.

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

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

The Board of Directors is made up of nine members. Five are independent directors, two are proprietary, one is external and the ninth is an executive director.

It is regulated by the Board Regulations, the purpose of which is to set the guidelines governing its actions, the basic rules governing how it is organised and run, the rules of conduct its members must abide by and the directors' duties. The Board Regulations were approved by the Board of Directors itself.

AEDAS Homes has a Director Selection Policy, which was approved by the Board of Directors on 5 November 2019, at the recommendation of its Appointments and Remuneration Committee. This policy is specific and verifiable and ensures that proposals for the appointment or re-election of directors are based on prior analysis of the board's needs and foster a broad mix of knowledge and experiences, as well as gender diversity. That policy includes a description of the skills and expertise required of the company's directors. It is formulated to ensure that the Board of Directors is at all times made up of prestigious professionals with enough time to devote to the duties vested in them.

With this policy, the Board of Directors wants to likewise ensure that director appointment proposals are aligned with prevailing governance recommendations and lead to informed and substantiated decision-making. This document factors in the guidance provided in the securities market regulator's Technical Guide on nomination and remuneration committees (CNMV Technical Guide 1/2019).

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

- The **Audit and Control Committee**, made up of three directors, two of whom independent (one of whom chairs this committee) and the third, proprietary.

  Article 14 of the Board Regulations regulates the Audit and Control Committee, its composition, its powers and its modus operandi.

- The **Appointments and Remuneration Committee**, made up of three directors, two of whom are independent (one of whom chairs this committee) and the third, proprietary.

  Article 15 of the Board Regulations regulates the Appointments and Remuneration Committee, its composition, powers and *modus operandi*. That Committee also has its own regulations governing its composition, powers and rules of operation. For further information, refer to: https://www.aedashomes.com/inversores/gobierno-corporativo/consejo-administracion

- **The Technology, Innovation and Cybersecurity Committee**, made up of three directors, one of whom (the committee chairperson) is independent, one proprietary, and one executive, who is also part of the company's management team.

  Likewise, there are specific regulations addressing the composition, powers and rules of operation of this committee.

AEDAS Homes has a Director Selection Policy, which was approved by the Board of Directors on 5 November 2019, at the recommendation of its Appointments and Remuneration Committee

The company also has a number of other **committees**:

- A **Steering Committee**, a **Business Committee** and an **Investment Committee**, all of which made up of company executives. The rules of operation, composition and powers of each of those committees are set down in regulations approved by the company's CEO.

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

- An **ESG Committee**, created to ensure the correct implementation and supervision of the ESG Strategic Plan 2021-2023, made up of AEDAS Homes' CEO, CFO, Chief Technology and Communications Officer and Chief Corporate Resource Officer, who has in turn assumed the role of ESG Coordinator. The ESG Committee is tasked with reviewing the ESG Plan dashboard. It is also in charge of compiling and analysing a quarterly report on milestones and indicators associated with the ESG Plan and for driving and supporting the emanating initiatives.

- A **Green Financing Committee**, whose mission is to select and monitor the projects in which to invest the proceeds raised from the bonds issued in 2021. That committee is made up of AEDAS Homes' CEO, COO, CFO and Chief Corporate Resources Officer.

Annual General Meeting

As the highest decision-making and control body in respect of the matters within the shareholders' purview, the Annual General Meeting, duly called and convened, represents all of the company's shareholders, all of whom are bound by its resolutions, including any shareholders voting against them or not in attendance, notwithstanding their right to contest resolutions in certain circumstances under applicable company law, the AEDAS Homes' Bylaws or the AGM Regulations.

The FY 2021-22 Annual General Meeting was held in Madrid on 29 June 2022 with a quorum of 86.3% of share capital.



Sede corporativa AEDAS Homes

2021-22 AGM agenda

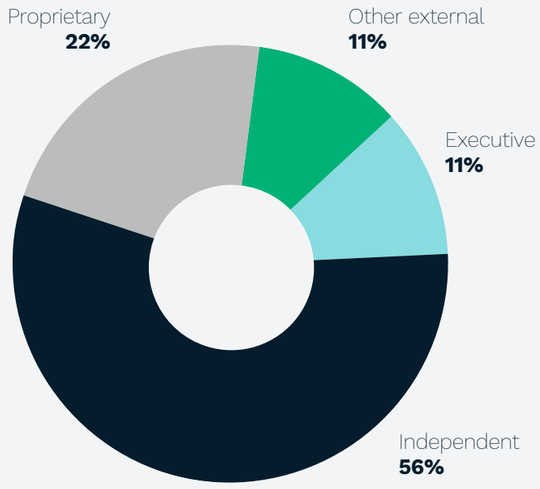
Approval of the **separate and consolidated financial statements** for the year ended 31 March 2022
Approval of the **separate and consolidated management reports,** except for the non-financial information, for the year ended 31 March 2022
Approval of the **consolidated non-financial information included** in the consolidated management report for the year ended 31 March 2022
Grant of **discharge to the members of the Board of Directors** for their management and actions during the year ended 31 March 2022
Approval of the **motion for the appropriation of profit** for the year ended 31 March 2022
Re-election of Ms. Milagros Méndez Ureña as independent director for the statutory term of three years
Approval of a new director remuneration policy
Establishment of an overall cap on the remuneration of directors in their capacity as such
Approval of the delivery of company shares to the CEO for the purpose of implementing the company's new long-term incentive plan (2021-2026)
Delegation in the Board of Directors of the power to issue equity on the terms and conditions contemplated in article 297.1b) of the Corporate Enterprises Act during a period of no more than five years, including the power to waive pre-emptive subscription rights on an amount equivalent to up to 20% of share capital, as provided for in article 506 of the Corporate Enterprises Act
Delegation in the Board of Directors of the power to issue notes, bonds and other fixed-income securities convertible into shares, as well as warrants or any other financial instrument that could entitle their holders to subscribe for shares, directly or indirectly, during a period of no more than five years and in a maximum amount of €500,000,000 euros, including the power to increase share capital by the amount necessary and to waive pre-emptive subscription rights on an amount equivalent to up to 20% of share capital
Delegation of powers to formalise, place on public record and execute the resolutions ratified
Advisory vote on the annual director remuneration report for the year ended 31 March 2022

All 13 resolutions were carried.

The FY 2021-22 Annual General Meeting was held in Madrid on 29 June 2022 with a quorum of 86.3% of share capital

Board of Directors

Composition of the Board of Directors



22%
female

22%
under the age of 45



The members of the Board of Directors of AEDAS Homes were selected in keeping with the most stringent diversity, competence and suitability criteria.

Each director brings 20+ years of experience in their respective areas of expertise.

The members of the Board of Directors of AEDAS Homes were selected in keeping with the most stringent diversity, competence and suitability criteria

In FY 2022-23, the Board of Directors met on the following dates:

- 25 May 2022
- 28 June 2022
- 12 July 2022
- 27 July 2022 (in writing, no formal meeting)
- 18 October 2022
- 29 November 2022
- 14 February 2023
- 23 March 2023

The most important matters addressed at those meetings include:

Business update
Financial information
Financial statement issuance authorisation
Monitoring of the ESG Strategic Plan 2021-2023
Annual General Meeting (call, resolutions, reports)
Approval of the Business Plan update
Ratification of execution of the right to exchange and purchase certain plots of land
Approval of a related party transaction
Approval of certain opportunities and initiatives, such as investment in land and a co-investment
Approval of the distribution of an interim dividend
Renewal of the commercial paper programme
Debate about company strategy
Approval of the AML/CFT action plan
Follow-up on the corresponding cycles of the LTIP
Reports from the chairs of the Audit and Control Committee, Appointments and Remuneration Committee and Innovation, Technology and Cybersecurity Committee on the items discussed at their respective meetings
Self-assessment of the performance of the board and its committees and the related action plans
Appointment of a new member to the Appointments and Remuneration Committee
Appointment of a new chair of the Audit and Control Committee

In turn, the board's committees met as follows:

- The **Audit and Control Committee** sat **seven times:** 25 May 2022, 28 June 2022, 12 July 2022, 18 October 2022, 29 November 2022, 14 February 2023 and 23 March 2023.
- The **Appointments and Remuneration Committee** also met **seven times**: 25 May 2022, 28 June 2022, 12 July 2022, 18 October 2022, 29 November 2022, 14 February 2023 and 23 March 2023.
- The **Technology, Innovation and Cybersecurity Committee** met **four times,** as follows: 23 June 2022, 26 October 2022, 13 December 2022 and 22 March 2023.

Santiago Fernández Valbuena -
Chairman of the Board

Appointment to the Board and roles

Santiago Fernández Valbuena joined the AEDAS Homes Board of Directors in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has been Chairman of the Board since September 2017 and serves on the Audit and Control Committee, also since 2017.

Career and relevant experience

Santiago Fernandez Valbuena (1958) is Vice-president at EBN Bank and has been a Proprietary Director there since 2015. He has also been on the Board of Mapfre Brazil since 2019. From 2011-2014 he was President of Telefónica-Latin America. At Grupo Telefónica, he was General Director of Finance and Strategy (2010-2011) and General Director of Finance and Corporate Development (2002-2010). Prior to his tenure at Telefónica, he was CEO of Fonditel, General Director at Société Générale Valores and Head of Sales at Beta Capital.

Santiago brings unrivalled experience in the real estate and construction sectors. From 2008-2021 he was an Independent Director and member of the Auditing Committee at Ferrovial, S.A., a Spanish multinational company involved in the design, construction, financing, operation and maintenance of transport infrastructure and urban services. From 1999-2007, he was Vice-president at Metrovacesa, S.A., a major Spanish real estate company.

Santiago is a Professor at the Universidad Complutense (currently on leave) and was also Professor at the Universidad de Murcia. He has also taught at IE Business School. He holds a B.A. in Economics from the Universidad Complutense de Madrid, and an M.S. and Ph.D. in Economics from Northeastern University in Boston.

Santiago owns a total of 220,727 shares of AEDAS Homes stock. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.

David Martínez Montero
Chief Executive Officer

Appointment to the Board and roles

David Martínez Montero has been Chief Executive Officer of AEDAS Homes since 2016 and was re-elected by the General Shareholders' Meeting in June 2020. He has served on the Technology, Innovation and Cybersecurity Committee since 2017.

Career and relevant experience

David Martínez Montero (1970) has been CEO of AEDAS Homes since the Company's founding in 2016. He has 25+ years of experience leading top real estate developments in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Prior to these leadership roles, he served as a Project Manager at Bovis and Construction Manager at Ferrovial.

Since 2019, David has been Chairman of REBUILD, Spain's leading event to drive innovation, sustainability and digitalization in the construction sector. He is a member of the Urban Land Institute Spain National Council, where he is actively involved in ULI's mentoring programme. He also teaches real estate development courses in numerous universities in Spain, including IE School of Architecture and Design, UPM and UNIR.

David holds an MSc in Civil and Structural Engineering from Universidad Politécnica de Madrid and an Executive MBA from IESE Business School.

David holds a total of 103,254 shares in AEDAS Homes. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.

Evan Carruthers
Proprietary Director

Appointment to the Board and roles

Evan Carruthers joined the AEDAS Homes Board in September 2017 as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, and was re-elected by the General Shareholders' Meeting in June 2020. He has served on the Appointments and Remuneration Committee since 2017.

Career and relevant experience

Mr. Carruthers co-founded Castlelake in 2005, in partnership with Rory O'Neill. As managing partner, co-chief executive officer and chief investment officer, Mr. Carruthers is responsible for the firm's overall strategy, including all investment and operational activities, as well as guiding the firm's mission, culture and investment approach. Additionally, Mr. Carruthers is responsible for overseeing all investment teams at Castlelake. Mr. Carruthers also serves as chair of Castlelake's Executive Committee and Investment Review Committee.

Evan has deep sector expertise, spanning back to the year 2000. Under his guidance, Castlelake has invested capital in 68 countries across multiple industries and he has been instrumental in the development of the firm's asset- and credit-based investment activities, including the development of its differentiated aviation platform. Before co-founding Castlelake, he was an investment manager with CVI, responsible for corporate and asset-based investments in North America and the development of Cargill's global aircraft investing business, and before joining CVI, he worked in several capacities at Piper Jaffray.

Since May 2017, he has been an Independent Director at publicly listed Five Point Holdings, LLC, the largest owner and developer of mixed-use, master-planned communities in coastal California, thus sharing this experience in the residential development sector in the United States with AEDAS Homes.

He received his B.A. from the University of St. Thomas (Minneapolis) in business administration, with a specialty in finance.

Evan holds 27,000 shares of AEDAS Homes stock, and he has no purchase options over shares in the Company. He works with Eduardo D'Alessandro, Proprietary Director of AEDAS Homes and Partner at Castlelake.

For more information about our Board Members, please visit our corporate website

Eduardo D'Alessandro Cishek
Propietary Director

Appointment to the Board and roles

Eduardo D'Alessandro Cishek joined the AEDAS Homes Board as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, in September 2017 and was re-elected by the General Shareholders' Meeting in June 2020. He is also a member of the Audit and Control Committee and the Technology, Innovation and Cybersecurity Committee, serving on both Committees since 2017.

Career and relevant experience

Eduardo D'Alessandro Cishek (1980) has been a Partner at Castlelake since 2018 and a leader of its Global Real Assets team. His primary focus is on originating investment opportunities in transitional real estate, infrastructure, renewables and power stability, and sub- and non-performing loans. He is also a member of the firm's Investment Review Committee and Executive Committee. Previously, he led the firm's Spanish land banking investment strategy and was also responsible for executing its investment strategy in Portugal, Italy and Greece, the UK and Ireland. His expertise includes direct asset and non-performing loan opportunities as well as equity public offerings.

Before joining Castlelake in 2011, Eduardo was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe and an investment associate at CarVal Investors (CVI) within the Loan Portfolio Group, where he worked on non-performing loan and real estate investments in the United Kingdom, Germany and Spain. He graduated cum laude with a B.Sc. in finance from Manhattanville College (New York) and an MBA from the London School of Economics.

Eduardo owns no shares of AEDAS Homes stock, nor does he have any purchase options over shares in the Company. He works with Evan Carruthers, Proprietary Director of AEDAS Homes and Managing Partner and Chief Investment Officer at Castlelake.

Milagros Méndez Ureña
Independent Director

Appointment to the Board and roles

Milagros Méndez Ureña joined the AEDAS Homes Board in April 2019 as an Independent Director and was ratified by the General Shareholders' Meeting in May 2019. She was re-elected by the General Shareholders' Meeting in June 2022. Since July 2022, she has served on the Appointments and Remuneration Committee.

Career and relevant experience

Milagros Méndez Ureña (1960) is Director of Investments at Mercer Consulting, bringing extensive expertise from her consolidated and successful career in the financial markets and experience in launching and developing new projects.

Before joining Mercer in 2019, Milagros was Senior Advisor to Innova Health Private Equity for Spain, Portugal and the United Kingdom (2017-2019) and Senior Advisor to Alma Capital Asset Management (2017-2018). In 2015, she started up Aldebaran Advisory as Founder and Managing Partner, working with Banco Sabadell on a project by project basis, after having joined Sabadell as Head of Business Development, New Markets and Agents in 2015. She was Director of Institutional Fixed Income Distribution, Equity and Derivatives at Interdin Sociedad de Valores y Bolsa (2005-2013), after having joined Afina Capital Management in 2000, creating a securities company as founder and managing director.

Her previous experience includes being Head of Treasury and Capital Markets at Banco Urquijo (1996-1999), being a founding member and Head of Fixed Income at FG Inversiones Bursátiles, Sociedad de Valores y Bolsa (1988-1996) and working in Capital Markets and Fixed Income Distribution at Continental Bank (1986-1988). She got her start as a pesetas broker at Intermoney (1982-1986) and at the same time published the book "A year in the currency market".

Milagros holds a bachelor's degree in Law and an associate's degree Business Administration / Economics from Comillas Pontifical University (ICADE E-1) and a master's degree in derivatives from San Diego State University.

Milagros owns 920 shares of AEDAS Homes stock. She has no purchase options over shares in the Company, nor does she have any prior relationship with any other Board Members or Company Directors.

Javier Lapastora Turpín
Independent Director

Appointment to the Board and roles

Javier Lapastora Turpín joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. Since 2017, he has been a member of the Audit and Control Committee and is the current Chairman of this Committee.

Career and relevant experience

Javier Lapastora Turpín (1966) was Partner at PwC from 2002 to 2015; he led PwC Spain's Construction and Real Estate area from 2007 to 2011 and was Managing Partner of the Audit and Assurance practice from 2011 to 2015.

He is currently an entrepreneur with interests in a range of companies focused on investment, project management, real estate and franchising, as well as being a member of the Economic Council.

Since 2021, Javier has been an Independent Director at Banco Alcalá (Crèdit Andorrà Financial Group); since 2017, at Mostostal Warzawa, SA, a leading listed company in the construction sector in Poland, whose products include residential buildings and housing developments; and since 2016, at Servicios Financieros Carrefour EFC, SA.

He has been a Proprietary Director at Connemara Properties, SL, since 2018; at Westhill Investments, SL, since 2017; and at Glendalough Investments, SL, Clonmacnoise Developments, SL, Bazkariak Kalitate, SL, Kilmore Management Services, SL, and Tullamore Properties, SL, since 2015.

Javier earned a bachelor's degree in Economics and Business Administration from CUNEF (Universidad Complutense) and holds a PDD (Programa de Desarrollo Directivo, or advanced management programme) from IE Business School. He is a registered auditor in Spain (ROAC) and a member of the Institute of Chartered Accountants of Spain (ICJCE).

Javier owns 1,579 shares of AEDAS Homes stock. He has no purchase options over shares in the Company nor does he have any prior relation with any of the other Board members or Company Directors.

Miguel Temboury Redondo
Independent Director

Appointment to the Board and roles

Miguel Temboury Redondo joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has chaired the Appointments and Remuneration Committee since 2017.

Career and relevant experience

Miguel Temboury Redondo (1969) has extensive experience in the public and private sectors and in-depth knowledge of the Spanish and EU legal systems. He currently works as an attorney in private practice at his own firm, Temboury Abogados, and has been a Senior Advisor to Barclays Investment Bank since 2017.

Miguel was Deputy Secretary of Economy and Competitiveness for the Spanish government (2011-2016), a member of both the Governing Committee of FROB and the Board of Directors of SEPI (2012-2016), President of the Court of Arbitration of the Official Chamber of Commerce and Industry of Madrid (2007-2012), in private practice at his eponymous firm (2007-2011) and at Pérez-Llorca (2004-2007), Chief of Staff to the Minister of the Interior (2002-2004). He is a State's Attorney (1996-2002), currently on leave.

Miguel has served as an Independent Director of Singular Bank since 2019 and chairs its Appointments and Remuneration Committee.

He holds a dual bachelor's degree in Business Administration / Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Miguel owns no shares of AEDAS Homes stock, nor does he have any purchase option over shares in the Company. He has no prior relationship with any other Board Members or Company Directors.

Cristina Álvarez Álvarez
Independent Director

Appointment to the Board and roles

Cristina Álvarez joined the AEDAS Homes Board in October 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. She has chaired the Technology, Innovation and Cybersecurity Committee since 2017.

Career and relevant experience

Cristina Álvarez (1969) is currently the Head of Technology and Operations in Spain and Europe at Banco Santander and previously was Global Chief Technology Officer (2019-2022). She is a senior executive with 25+ years of professional experience in the telecommunications sector, in companies such as Telefónica (2006-2017) where she was Chief Information Officer (CIO) and Managing Director of Services Development, as well as serving on the Executive Committee of Telefónica España (2009-2017); Vodafone (1996–2006) where she worked as Chief Information Officer (CIO) and Director of Product Engineering; and Alcatel (Nokia) (1992–1995).

Since May 2022, Cristina has served as a Proprietary Director on the Board of Banco Santander Portugal, and since January 2020, she has served as a Proprietary Director on the Board of Openbank. She was previously an Independent Director at Sacyr (2018-2019), a global infrastructure, services and industrial projects company.

Cristina graduated in Telecommunications Engineering from the Universidad Politécnica de Madrid (UPM) and holds a PDD from IESE. She has been awarded numerous prizes, including "Engineer of the year" by the COIT/AEIT (2016), the AUTELSI Award in recognition for her professional career in ITC (2017), and "Digital Leader" by Cionet (2016). She was the Academic Director for the Executive Master's in Digital Transformation and Innovation Leadership at IE Business School (2017-2022) and is currently a senior advisor to IE Business School.

Cristina owns no shares of AEDAS Homes stock, nor does she have any purchase option over shares in the Company. She has no prior relationship with any other Board Members or Company Directors.

Javier Martínez-Piqueras Barceló
'Other External' Director

Appointment to the Board and roles

Javier Martínez-Piqueras joined the AEDAS Homes Board as an Independent Director in October 2020 and was ratified by the General Shareholders' Meeting in June 2021. He currently serves as an 'Other External' Director (since November 2021).

Career and relevant experience

Javier Martínez-Piqueras (1973) has been Senior European Advisor to Castlelake since November 2021 and Strategy Advisor to Grupo Ibereólica Renovables since February 2021. He brings a wealth of experience from his 23+ year career in Investment Banking, specialising in Equity Capital Markets (ECM). He was Global Head of Equity Capital Markets & Corporate Solutions at UBS, leading a team of 120 professionals across the globe (2012-2019), and prior to his tenure at UBS, he was with Bank of America Merrill Lynch, becoming Managing Director Head of ECM and Corporate Equity Derivatives for Iberia (1997-2012).

Javier has wide-ranging experience advising large company boards at a global level on capital and equity related solutions and a deep understanding of the real estate sector. In July 2020, he joined the Board of Millenium Hospitality Real Estate, a listed company that specialises in developing and investing in luxury hotels; he is also a member of its Real Estate Executive Committee and chairs its Investment and Strategy Committee.

He holds a dual bachelor's degree in Business Administration / Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Javier holds no shares of AEDAS Homes stock, nor does he have purchase options over shares in the Company. Through his role as Senior European Advisor to Castlelake, he has a professional relationship with Evan Carruthers and Eduardo D'Alessandro, Proprietary Directors of AEDAS Homes (since the latter two are Castelake representatives). He has no other relationship with any other Board Members or Company Directors.

Board Committees

Appointments and Remuneration Committee

Duties and areas of expertise

The Appointments and Remuneration Committee's organisation and responsibilities are set down in article 15 of the Board Regulations, the Appointments and Remuneration Committee Regulations, article 22 of the Bylaws and article 529 *quindecies* of Spain's Corporate Enterprises Act.

This committee provides the Board of Directors with information and advice on the company's appointments and remuneration obligations, framed by best practices in the corporate governance arena, and verifies that the remuneration policies established by the company are being upheld. It periodically reviews the company's director and officer remuneration policies, including the share-based payment schemes, and their application, ensuring that individual remuneration is aligned with each professional's contribution, without generating unsubstantiated imbalances between directors or between officers.

Other duties vested in the Appointments and Remuneration Committee include: evaluating the universe of skills, knowledge and experience needed on the Board of Directors; submitting proposals for the appointment, re-election or removal of independent directors to the Board of Directors and/or reporting on board proposals for the appointment, re-election or removal of independent directors and officers; and proposing a succession plan for the Chairman of the Board and CEO.

Main activities during the year

- The Appointments and Remuneration Committee met seven times in FY 2022-23. The main initiatives undertaken were:
- Acknowledging the Annual Corporate Governance Report for FY 2021-22 in relation to the matters falling under the purview of the committee.
- Acknowledging the Director Remuneration Report for FY 2021-22 in relation to the matters falling under the purview of the committee.
- Approving the Committee Activities Report for FY 2021-22.
- Approving the Committee Action Plan for FY 2022-23.
- Proposing and reporting to the Board on the re-election of Milagros Méndez Ureña as independent director for the statutory term of three years.
- Proposing a new Director Remuneration Policy.
- Proposing new remuneration for non-executive directors.
- Evaluating the CEO's performance in terms of bonus target delivery (FY 2021-22).
- Evaluating delivery of the targets associated with the second cycle of the LTIP.
- Providing an account, via the committee's chairman, of the committee's activities at the Annual General Meeting.
- Proposing the revision of the CEO's targets (metrics) for 2022-23 in respect of his bonus for submission to the Board for approval.
- Reporting to the Board on the third cycle of the first LTIP.
- Reporting to the Board on an additional LTIP in order to redistribute certain shares to certain beneficiaries.
- Reporting to the board on:
  The key terms and conditions of the new CLO's contract (who is an officer)
  The possible appointment of the new CLO as vice secretary of the board
  The possible appointment of the new CLO as secretary of the Audit and Control Committee.
- Reporting to the board on the revision of two officers' remuneration.
- Monitoring compliance with the company's remuneration policy.
- Monitoring delivery of the LTIP.
- Self-assessment of the performance of the board and its committees: Launching the self-assessment of the board and of the Appointments and Remuneration Committee and supporting the Audit and Control Committee and the Technology, Innovation and Cybersecurity Committee with their self-assessments. As a result of those self-assessments, making proposals to the board regarding a series of actions / action plan for the continuous improvement of the effectiveness of the board and its committees.
- Reporting to the board on the possible appointment of Javier Lapastora Turpín as chairman of the Audit and Control Committee.
- Second long term incentive plan ("LTIP 2") – Second cycle metrics.
- Second cycle of LTIP 2 – Distribution of additional shares (Rollover)
- Officer pension plan.
- Monitoring the independence of the chairman of the company's board.
- Re-election of directors.

- Reporting on two demands for information received from the securities market regulator (CNMV) regarding an apparent inconsistency between a figure contained in the Annual Corporate Governance Report FY 2021-22 and the Annual Director Remuneration Report FY 2021-22, and certain errors contained in some sections of the Annual Director Remuneration Report FY 2021-22.

Members

At 31 March 2023, the committee was made up of the following three members:

Member	Position	Category on the Board of Directors
Miguel Temboury Redondo	**Chairman**	**Independent**
Milagros Méndez Ureña	**Member**	**Independent**
Evan Carruthers	**Member**	**Proprietary**

Cristina Álvarez Álvarez, an independent director, stepped down from the committee in 2022 and was replaced by Milagros Méndez Ureña, likewise an independent director, in July 2022.

Alfonso Benavides Grases, who is the non-director secretary of the Board of Directors, is also the secretary of the Appointments and Remuneration Committee.

Board Committees

Audit and Control Committee

Duties and areas of expertise

The Audit and Control Committee's organisation and responsibilities are set down in article 14 of the Board Regulations, article 22 of the Bylaws and article 529 *quaterdecies* of Spain's Corporate Enterprises Act.

The Audit and Control Committee assists the Board of Directors by supervising compliance with the company's Code of Conduct and corporate governance rules. It also ensures that the financial information presented to the board is reliable, oversees the internal control over financial reporting (ICFR) system and coordinates with the external auditor. It supervises the internal audit function, enterprise risk management and the compliance model, specifically including compliance with anti-money laundering and counter-terrorist financing legislation. Lastly, the Audit and Control Committee reports to the Board of Directors on related party transactions and monitors implementation of the ESG Strategic Plan 2021-2023.

Main activities during the year

The Audit and Control Committee met seven times in FY 2022-23. The main initiatives undertaken were:

In relation to the company's financial information and other information provided to the Board of Directors:

- Supervising the separate and consolidated financial statements and management reports for the year ended 31 March 2023 and the proposed appropriation of profit for subsequent authorisation by the Board of Directors.
- Supervising the quarterly financial disclosures.
- Issuing the Audit and Control Committee Activities Report for FY 2021-22.
- Reviewing the general spending budget.
- Reviewing the Business Plan projections.
- Reviewing the Annual Corporate Governance Report for FY 2021-22
- Issuing a committee report on related party transactions for FY 2021-22
- Issuing a committee report on auditor independence for FY 2021-22
- Authorising the auditor to provide certain non-audit services.

In relation to the internal audit function:

- Approving the internal audit function's activities report for FY 2021-22.
- Approving the internal audit strategic plan, 2023-2025.
- Approving the internal audit annual plan, FY 2023-24.

- Supervising the activities carried out by the internal audit function during the year ended 31 March 2023.

- Presenting the Board of Directors with the main conclusions from the internal audits undertaken during the year, notably including its annual report on the ICFR system and its audit of the AML/CFT model, the data and digital rights protection model and the ESG model.

In relation to the risk and compliance function:

- Approving the risk function's activities report for FY 2021-22.

- Approving the risk function's activities plan for FY 2022-23.

- Approving the compliance function's activities report for FY 2021-22.

- Approving the compliance function's activities plan for FY 2021-22.

- Presenting the Board of Directors with the results of the various reviews conducted by the risk and compliance areas during the reporting period, including their reviews of the corporate risk map and risk factors, the external expert report on AML/CTF controls and the controls performed in the areas of crime prevention and data protection.

- Approving the company's Anti-Trust Compliance Policy

The Audit and Control Committee issued reports approving certain related party transactions with investees of AEDAS HOMES and certain individuals.

The Audit and Control Committee, duly carrying out its duty to **oversee the ICFR system**, carried out the following activities during the year ended 31 March 2023:

- Supervising effectiveness of the company's internal controls, internal audit function and risk management systems, discussing the status of the ICFR system with the financial statement auditor.

- Supervising the process of preparing and presenting the financial information the company is required to disclose and making proposals and recommendations to the Board of Directors to safeguard the integrity of that information.

- Supervising the mechanism that allows staff to report, confidentially and anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.

- Reporting, ahead of the corresponding resolutions, to the Board of Directors on all matters contemplated in prevailing law, the Bylaws and the Board Regulations, particularly with respect to the company's mandatory financial disclosures and related-party transactions.

- Overseeing compliance with the company's codes of conduct, corporate governance rules and corporate social responsibility policy.

- Supervising the work of the internal audit function, specifically reviewing the ICFR system.

- Supervising the initiatives carried out by the risk and compliance function around the company's main risks and contingencies and the systems put in place to ensure their identification, management and control, framed by the Risk Plan FY 2022-23 and Compliance Plan FY 2022-23, both approved by the committee.

- Arranging for the financial statement auditor to give the committee and board an account of (i) the work performed by it; (ii) key accounting developments; and (iii) the company's risks.

- Supervising the FY 2022-23 Annual Corporate Governance Report before the board authorised its issuance.

- Providing an account at the Annual General Meeting of the matters within its purview, specifically the outcome of the financial audit statement for FY 2021-22, outlining how the audit contributed to the integrity of the resulting financial information and the duties performed by the committee during the audit work in FY 2022-23.

- The work of the Audit and Control Committee was set down in minutes duly signed by its chairman and secretary. Those minutes, which record the contents of each committee meeting, are safeguarded by the board secretary.

Members

At 31 March 2023, the committee was made up of the following three members:

Member	Position	Category on the Board of Directors
Javier Lapastora Turpín	Chairman	**IIndependent**
Santiago Fernández Valbuena	Member	**Independent / Chairman of the Board**
Eduardo D'Alessandro	Member	**Proprietary**

In November 2022, Santiago Fernández Valbuena stepped down as chairman of the Audit and Control Committee. The board named Javier Lapastora Turpín as his replacement, since more than one year had elapsed since Mr. Lapastora had stepped down from that same position. He chaired his first Audit and Control Committee meeting in February 2023.

Patxi Castaños Gil, the company's Chief Legal Officer and non-director vice secretary of the Board of Directors, is the secretary of the Audit and Control Committee.

Board Committees

Technology, Innovation and Cybersecurity Committee

Duties and areas of expertise

The Board of Directors created the Technology, Innovation and Cybersecurity Committee as a voluntary steering committee in 2017. The committee's organisation and powers are set down in article 13.5 of the Board Regulations, the committee's regulations, article 22 of the Bylaws and article 529 *terdecies* of Spain's Corporate Enterprises Act.

Although the Board of Directors is responsible for cybersecurity and IT-related risks, it is the Technology, Innovation and Cybersecurity Committee that draws up and evaluates proposals related with technology, innovation and cybersecurity, reporting back to the board. This committee also plays an important role in setting the direction of the company's Digital Strategy Plan, viewed as a lever for delivering the company's broader business and financial targets.

Main activities during the year

The Innovation, Technology and Cybersecurity Committee met four times in FY 2022-23. The main initiatives undertaken were:

- Approving the committee's activities report for FY 2021-22.
- Approving the committee's activities plan for FY 2022-23.
- Executing the Digital Strategy Plan 2021-2023 and monitoring the main KPIs
- Presenting the App Map
- Executing the quarterly sprints and monitoring the main KPIs
- Executing the Cybersecurity Plan and monitoring the main KPIs
- Monitoring the Live Virtual Tours and other sales initiatives
- Presenting innovation pilot tests
- Assessing how technology contributes to the business in terms of hours saved, FTEs and reduced equivalent costs
- Drafting the licence OPEX reduction plan
- Preparing the technology budget for FY 2023-24

Members

At 31 March 2023, the CTIC was made up of the following four members:

Member	Position	Category on the Board of Directors
Cristina Álvarez Álvarez	**Chairwoman**	**Independent**
David Martínez Montero	**Member**	**Chief Executive Officer**
Eduardo D'Alessandro	**Member**	**Proprietary**
Javier Sánchez Gutiérrez	**Member / Non-director**	**Technology and Communications Director**

Alfonso Benavides Grases, who is the non-director secretary of the Board of Directors, is also the secretary of the Appointments and Remuneration Committee.

Steering Committee

	David Martínez	Alberto Delgado	David Botín	María José Leal	Esther Duarte	Patxi Castaños	Javier Sánchez
Steering Committee	•	•	•	•	•	•	•
Investment Committee	•	•		•		•	
Business Committee		•		•			
Compliance Committee					•	•	
ESG Committee	•			•	•		•
Green Financing Committee	•	•		•	•		

The AEDAS Homes Steering Committee is made up of seven members, each with 20+ years of experience in executive positions at a range of companies.

The Steering Committee meets monthly at the company's head offices and its main mission is to oversee delivery of AEDAS Homes' strategic targets in order to enable the company's long-term continuity.

Purpose of the steering committee

Report

The Steering Committee reports to the Board of Directors, through the company's CEO, on all relevant developments at the organisation and its various business areas.

Warn

The Steering Committee must warn of any circumstances that could jeopardise the company's ability to deliver its targets and/or budget, following up on such matters to stay ahead of potential deviations.

Propose

The Steering Committee must propose and apply any corrective action deemed necessary.

The duties of the Steering Committee include:

- Ensuring compliance with the policies, processes and procedures established by the company, guaranteeing that all decisions are aligned with AEDAS Homes' mission, vision and values.
- Coordinating and aligning strategies and initiatives across the various areas of the organisation.
- Proposing ideas for enhancing processes and procedures to render them more efficient.
- Proposing an organisational structure that responds efficiently to the targets set.
- Proposing corrective measures in the event that actual results deviate from the targets set.
- Defining and fostering the corporate culture. Prioritising people and their development and nurturing a positive workplace climate in which talent is minded, leadership safeguarded and fairness guaranteed.

Backgrounds of the members of the Steering Committee



David Martínez
Chief Executive Officer

David has been the CEO of AEDAS Homes since the company's founding in 2016. He has 25+ years of experience leading development projects in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Before taking on those leadership roles, he worked as a project manager at Bovis and as an engineer at Ferrovial. David holds an MSc in Civil and Structural Engineering from Madrid's Polytechnic University and an Executive MBA from IESE Business School..



Alberto Delgado
Chief Operating Officer

Alberto coordinates, runs and controls the company's key business departments: the Regional Branches and the sales and marketing, operations and product quality areas. He sits on the board of several AEDAS Homes subsidiaries. He began his career at ACS and later joined Vallehermoso, where he first worked in business development before spending three years as CFO. He joined AEDAS Homes in 2016 and has been its COO since 2017. A civil engineering graduate from Madrid's Polytechnic University, Alberto has also completed the Management Development Program (PDD) at ESADE and the Directors' Programme at ESADE.



David Botín
Chief Real Estate Services Officer

David spearheads and drives AEDAS Homes' real estate services strategy and ensures its correct implementation and fit with the corporate strategy and broader sector and market environment. David graduated in architecture, specialised in town planning, from Navarra University; he holds a Master's in Planning Management from UPC, the Polytechnic University of Catalonia, and has completed IESE's executive management programme. He brings 20+ years of experience in real estate, having held senior executive positions at prominent sector players, including Áurea Homes, ACR Promociones and Grupo Avanco, S.A. David joined AEDAS Homes in 2021.



María José Leal
Chief Financial Officer

María José heads up investor relations, capital markets activity and management control and runs the company's corporate finance and treasury functions, in keeping with the applicable prevailing accounting, legal and tax frameworks, so as to provide a fair view of its financial strength. An economics graduate (specialised in business administration) from CUNEF, she has also completed the executive management programme at IESE, the directors programme at ESADE and PwC's Women to Watch programme. She has extensive experience at fast-growing, listed multinational enterprises, including her stints as Deputy CFO at high-profile listed companies such as AENA and PROSEGUR. She has been the CFO of AEDAS Homes since 2018.



Esther Duarte
Chief Corporate Resources Officer

Esther is responsible for managing the human resources, internal communication, general services, health and safety, quality, processes, document management and sustainability departments. Esther's academic qualifications include a diploma in educational sciences, the Garrigues' executive programme in labour relations, ESADE's Executive Development Programme in Human Resource Management and IESE's Executive Management Programme. She boasts 25 years of experience in executive positions at real estate, construction, industrial, infrastructure and services firms including Ferrovial Inmobiliaria and Grupo Aldesa. Esther joined AEDAS Homes in 2017.



Patxi Castaños
Chief Legal Officer

Patxi brings extensive experience in real estate. He has held executive positions in legal advisory and business development at AQ Acentor, Grupo Avintia and Amenábar Promociones. He has also been collaborating for years as an assistant professor in the real estate post-graduate programme at the San Pablo-CEU Business School and Madrid's Polytechnic University (UPM). A law graduate (specialised in economics) from Deusto University, Patxi also holds a Master's in Town Planning from the CEU San Pablo Business School and an Executive Master's in Company Law Practice from the Garrigues School of Studies. Patxi joined AEDAS Homes in 2022.



Javier Sánchez
Chief Technology and Communications Officer

Javier is responsible for defining, leading and managing AEDAS Homes' technology and communication strategies. He sits on the board of Live Virtual Tours. Javier holds a dual degree in business studies and law from ICADE (E-3) and ESSEC Business School (Paris) and has completed the Directors' Programme at ESADE. He began his career in strategic consulting in Spain and the US. After his stint in Silicon Valley, he gained a wide variety of professional experiences over two decades at big tech firms, internet players and television companies, including Orange and Vértice 360. In the real estate sector, Javier brings 7+ experience in the new-build housing development space. Javier joined AEDAS Homes in 2017.

Regional Branches

AEDAS Homes is present in the most dynamic new-build housing development markets in Spain. It relies on a decentralised, scalable business model, performing key activities in-house.

Each of the company's six Regional Branches is responsible for organising, planning and overseeing the residential development processes and land permitting processes in the areas within their purview, in keeping with the guidelines provided by AEDAS Homes to ensure a solid earnings performance and delivery of its quality and timing commitments. They are also responsible for identifying potential land acquisition opportunities. This decentralisation allows the company to manage each project in accordance with local needs and criteria, which translates into better developments and, ultimately, more satisfied customers and shareholders.

The Regional Branches are all represented on the Business Committee which sits monthly at the company's head offices with the overriding mission of ensuring delivery of the Business Plan.

Regional Branch director profiles



Pablo Alonso
Madrid Regional Branch Director

A law graduate from León University, Pablo also holds an LLM in Business Law from Navarra University. Pablo has 20+ years' experience in the sector, specifically in housing development and property management at leading players like Vallehermoso and Testa (Sacyr Group) and Merlin Properties.



David Gómez
Catalonia and Aragon Regional Branch Director

A civil engineering graduate from the Catalan Polytechnic University, David also holds an MBA from ESADE. He boasts 20+ years' experience in the real estate sector, having worked at a range of companies including Banco Sabadell, Solvia and Vallehermoso's development division.



José Ignacio Fernández
Andalusia & Canaries Regional Branch Director

A law graduate from Seville University, José also holds an MBA from the San Telmo International Institute, a Master's in Town Planning and Management (Carlos III University) and a Master's in Town Planning and Design (Seville School of Architecture). He brings 20+ years' experience at firms such as Martinsa-Fadesa, Galia Grupo Inmobiliario and Guadalmina Golf and has also worked in the town planning department of Seville's City Hall.



Juan López
East & Mallorca Regional Branch Director

A technical architect (Alicante University), Juan has also completed the IESE management development programme. He has been working in the residential development sector for 25+ years. Juan built his career at companies such as Solvia and Hansa Urbana prior to joining AEDAS Homes.



Ángel Fernández
Costa del Sol Regional Branch Director

An architecture graduate from CEU San Pablo University, Ángel has also completed post-graduate programmes at ESADE and IESE, where he took the management development programme. Ángel has 10+ years of experience in the sector, having worked at high-profile developments such as Valdebebas and Operación Chamartín in Madrid.



Higinio Fernández
North Regional Branch Director

Higinio is a civil engineering graduate from Cantabria University. He brings 20+ years of experience, having worked at companies such as Ferrovial, Vallehermoso and CaixaBank before joining AEDAS Homes.

The Regional Branches are responsible for organising, planning and overseeing the residential development processes and land permitting processes in the areas within their purview, in keeping with AEDAS Homes' guidelines

Remuneration policy

AEDAS Homes designed its Director Remuneration Policy for the Board of Directors in keeping with the company's size and financial situation, market standards for comparable companies and the amount of time devoted by its directors.

The overriding purpose of this Remuneration Policy is to define and control AEDAS Homes' remuneration practices vis-a-vis its directors. It also establishes a remuneration scheme that is deemed appropriate for the dedication and responsibilities assumed by the company's directors with the aim of attracting, retaining and motivating boardroom talent.

This Remuneration Policy is public and can be downloaded from AEDAS Homes' corporate website. Note additionally that the Annual Report on Director Remuneration, the Annual Corporate Governance Report and the annual financial statements (note 21) provide disclosure on remuneration for directors and company executives.

AEDAS Homes also has an Executive Remuneration Policy for the executives who report to the CEO. This policy is articulated around the following principles and goals:

- Aligning their remuneration with shareholder interests and AEDAS Homes' sustainable profitability.
- Financial reward: maximising our professionals' performance by rewarding them for their work quality, dedication, trajectories, responsibilities, business acumen and commitment to AEDAS Homes.
- External competitiveness: attracting and retaining the finest professionals. Market trends at companies considered comparable to AEDAS Homes are factored into the amounts that executives earn.
- Internal fairness: the policy and the amounts of compensation are both defined around the content of the positions held, the goal being to provide similar rewards for jobs with similar content but also to distinguish certain positions from others of different characteristics. The relative importance of the various positions for the company is also taken into consideration.
- Equality and diversity: guaranteeing application of the principle of equal pay for work of equal value with no discrimination for gender or race.
- Simplicity and transparency: the remuneration rules are worded clearly and concisely in order to simplify their description, calculation methods and vesting conditions as much as possible.
- Time horizon: The remuneration of AEDAS Homes' professionals is articulated around the company's long-term interests and values as well as the provision of an incentive for the delivery of short-term goals.
- Variable compensation: depending on the professionals' positions and the extent to which the latter impact and influence the company's results, the amount of their remuneration has a variable component tied to the company's performance (including a sustainability metric) and their individual performances and results.

The Remuneration Policy establishes a remuneration scheme that is deemed appropriate for the dedication and responsibilities assumed by the company's directors with the aim of attracting, retaining and motivating boardroom talent

Business ethics

Our ethical commitments are embodied in the codes of conduct and universe of corporate policies that guide and govern our activities. Our Compliance Programme and Crime Prevention Model also nurture our ethics culture.

AEDAS Homes' public corporate policies

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

DIRECTOR REMUNERATION POLICY	ESG POLICY	ANTI-TRUST COMPLIANCE POLICY	CORPORATE TAX POLICY	BOARD REGULATIONS
CORPORATE SOCIAL RESPONSIBILITY POLICY	ANTI-CORRUPTION POLICY	CORPORATE GOVERNANCE POLICY	SHAREHOLDER REMUNERATION POLICY	APPOINTMENTS AND REMUNERATION COMMITTEE REGULATIONS
QUALITY AND ENVIRONMENTAL MANAGEMENT POLICY	POLICY ON CONFLICTS OF INTEREST	SHAREHOLDER AND INVESTOR COMMUNICATION POLICY	CODE OF CONDUCT	TECHNOLOGY COMMITTEE REGULATIONS
HEALTH AND SAFETY POLICY	COMPLIANCE POLICY	INTERNAL SECURITIES MARKETS CODE OF CONDUCT	CODE OF CONDUCT FOR THIRD PARTIES	ANNUAL GENERAL MEETING RULES AND REGULATIONS

The company has updated a number of its codes and policies recently:

Code of Conduct

The section on *Equal opportunities and non-discrimination* was updated to align it with the principles laid down in International Labour Organisation (ILO) Convention #111 on Discrimination (Employment and Occupation).

Code of Conduct for Third Parties

The section on *Safety at work and labour and human rights*was updated to include the labour and human rights related principles our suppliers must abide by:

- Zero tolerance of child labour.
- Compliance with applicable minimum wage legislation.
- No forced and compulsory labour.
- Compulsory application of non-discrimination and equal opportunities criteria.
- Compulsory protection of the freedom and right to unionise.
- Unwavering respect for employees' human rights.
- No abuse or intimidation whatsoever of employees.

Anti-Corruption Policy

The wording was fine-tuned to broaden the scope of the corruption definition and the section on the *Whistleblowing channel* was updated.

I

n addition, the company formulated **two new policies** in FY 2022-23:

Anti-Trust Compliance Policy

The purpose of this policy is to ensure that the company complies with its anti-trust requirements, framed by the business ethics, principles and conduct guidelines embraced by AEDAS Homes.

Corporate Governance Policy

This policy is designed to set down AEDAS Homes' general corporate governance criteria and principles with a view to configuring a governance system aligned with application regulations and best practices.

All of the above-listed policies and regulations form part of the company's corporate governance framework and can be accessed on the company's Investors website:

Corporate policies

https://www.aedashomes.com/en/investors/corporate-governance/corporate-policies

Board of Directors

https://www.aedashomes.com/en/investors/corporate-governance/directors-board

Annual General Meeting

https://www.aedashomes.com/en/investors/corporate-governance/shareholders-general-meeting

In FY 2022-23, we formulated two new corporate policies.



Compliance Programme

AEDAS Homes has a Compliance Programme which aims to establish a culture of ethics while guaranteeing respect for applicable legislation. That Compliance Programme covers the relevant areas of risk and draws on best practices in the field.

More specifically, the Compliance Programme encompasses measures designed to guarantee compliance with:

- Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) legislation.
- The provisions contained in Spain's Criminal Code regarding the criminal liability of legal persons, including anti-corruption legislation.
- Data protection regulations.
- Securities market conduct regulations.
- Anti-trust regulations.

As a residential developer, AEDAS Homes is bound by anti-money laundering and countering the financing of terrorism (AML/CFT) legislation. Under the scope of its AML/CFT programme, AEDAS Homes has strict measures in place for reducing the risk of doing business with sanctioned parties.



Compliance supervising bodies

Internal Control Body (ICB)	Risk and Compliance Department	AML/CFT Technical Unit
Supervises compliance with applicable legislation	Responsible for managing the AML/CFT model	Assists the Head of Risk & Compliance with managing the model



Compliance measures

AML/CFT Manual	Due diligence performed on 100% of the customers who buy one of the company's homes.	Report from an outside AML/CFT expert
In-house policies and procedures applicable to all employees. Subject to an annual review.	The company's procedures prohibit carrying out transactions without this approval. If a customer presents a higher risk profile, the company carries out more stringent due diligence.	Annual review by an outside AML/CFT expert. This report is presented to the Board of Directors within three months of issuance.
Annual training on AML/CFT for all employees	Internal Audit review The Internal Audit function analyses the effectiveness of the AML/CFT framework annually and reports its findings to the Audit and Control Committee.	Transaction analysis and referral to the authorities (SEPBLAC) as warranted.

Within the specific due diligence activities undertaken, it is worth highlighting the fact that AEDAS Homes checks the names of everyone involved in its transactions in order to verify that none of them are included on the sanctions lists kept by OFAC or the European Union, or any other list of relevance. The Company's AML/CFT Manual prohibits transacting with sanctioned individuals.

Last year, AEDAS Homes engaged an external AML/CFT expert to carry out the above-mentioned annual review; that expert did not identify any issues of note.

Corporate Crime Prevention

AEDAS Homes has a Corporate Crime Prevention Model to ensure compliance with applicable criminal law.

Compliance Committee
Responsible for supervising regulatory compliance and coordinating the measures needed to that end.

Code of Conduct
Embodies the company's values and specifies the types of conduct it does not tolerate. All employees must accept the Code of Conduct when they join the company.

Code of Conduct for Third Parties
This code, which must be signed by all critical suppliers before starting to do business with the company, commits them to abiding by AEDAS Homes' values and rules of conduct.

Compliance Manual and Policy
Establishes the ground rules for the Corporate Crime Prevention Framework.

Anti-Corruption Policy
Establishes the rules applicable to employees with respect to gifts and hospitality vis-a-vis the public and private sectors.

Risk and Compliance Department
Tasked specifically with managing corporate crime prevention efforts.

Criminal risk map	**Risk and control matrix** 121 controls identified	**Whistleblowing channel**
Annual budget	**Annual controls** The results of the controls and the action plans devised to remedy areas in need of improvement are reported to the Audit and Control Committee	**Training**

Performance indicators

Compliance Communication Plan
Designed to boost employee familiarity with compliance matters

In October 2022, AEDAS Homes earned UNE 19601 certification for its compliance management model, evidencing the company's firm commitment to the highest standards of regulatory compliance. That certification demonstrates the company's adoption of best practices in the field.

In October 2022, AEDAS Homes earned UNE 19601 certification for its compliance management model, evidencing the company's firm commitment to the highest standards of regulatory compliance.

AEDAS Homes also continued to make significant improvements to its crime prevention model. Specifically, it took the following steps:

- Revision and improvement of the relevant policies and manuals
- Publication of knowledge pills for employees addressing the Compliance Policy, Whistleblowing Channel, Conflicts of Interest Policy and Anti-Corruption Policy.
- Training the entire workforce on anti-corruption matters and getting employees to accept the contents of the Anti-Corruption Policy.
- Follow-up on the compliance model KPIs
- Having those employees who are more exposed under AEDAS Homes' compliance model sign a declaration specifically committing to the principles set down in the company's Code of Conduct and Compliance Policy, a pledge that extends to the internal policies implemented to comply with anti-corruption and anti-bribery legislation.
- Having key suppliers sign the Code of Conduct for Third Parties, which, following the modifications introduced in March 2022, includes specific clauses regarding the human rights standards they must comply with. Additionally, all suppliers sign a crime prevention compliance clause.
- Approval of an Anti-Trust Compliance Policy and the provision of training on the new policy to key employees.

The management of AEDAS Homes' **Whistleblowing Channel** includes a procedure whereby vested parties can report their suspicions confidentially. Notifications sent using the channel can be sent anonymously using the established procedures, which include measures designed to protect whistle-blowers by preventing retaliation against them. In order to maximise transparency around the channel and securely protect whistleblowers, AEDAS Homes uses an outside firm's notification management platform, with that firm recording the notifications and forwarding them to the company's Compliance Committee.

Employees can access the Whistleblowing Channel from the intranet. Channel usage has been explained and publicised using a number of knowledge pills.

As set down in the Whistleblowing Channel's notification management process, complaints received are reviewed by the Compliance Committee, which decides what steps to take to clarify the events and remedy any identified breaches of applicable legislation or the company's Code of Conduct. That committee's members are empowered to do whatever they then deem necessary, including taking statements from the whistleblower, the defendant and any witnesses and obtaining copies of any relevant information and documentation at the company.

Our policies and procedures require our employees to notify any suspected breaches of our rules and regulations using the Whistleblowing Channel. Specifically, the Anti-Corruption Policy stipulates that employees use the Whistleblowing Channel to report any breaches of that policy.

The company is planning to enable access to the Whistleblowing Channel from its website in April 2023. **www.aedashomes.com**

Just as in FY 2021-22, AEDAS Homes did not receive any notifications through its Whistleblowing Channel in FY 2022-23, nor did it receive any notifications related to Human Rights. Internal and external audits have verified that the Whistleblowing Channel is operational and working as intended. Internal and external audits have verified that the Whistleblowing Channel is operational and working as intended.

As already noted, the company has an Anti-Corruption Policy which all employees can access from the intranet.

In order to assess its anti-corruption risks, each year, as part of the broader evaluation of criminal risk, the company assesses the impact, probability of occurrence and level of management of identified crimes of corruption in both the public and private spheres, specifically including the illicit financing of political parties. Given the company's exposure to those crimes as a result of its business activity, in order to ensure they are being duly monitored, it verifies the effectiveness of the key anti-corruption controls annually and reports the findings to the Audit and Control Committee.

The Anti-Corruption Policy stipulates the maintenance of an adequate internal control system, to which end all transactions must be reported and reflected faithfully and accurately and in reasonable detail in the company's accounting records and ledgers. More specifically, it stipulates the following:

- The company's accounting records and financial information must not contain false or misleading entries or statements. Transactions must never be intentionally misrecorded in terms of line item, department, amount or accounting period.
- Accurate, appropriate and reasonably detailed supporting documentation must be kept for all transactions and safeguarded in keeping with the company's archiving policies.

By way of example, in order to keep adequate accounting records, the company has a software application that records all employee expenses, including entertainment and travel expenses. Those expenses must be approved by their supervisors to prevent courtesies or gifts in breach of the Anti-Corruption Policy. Then, as part of the crime prevention controls carried out by the Compliance Department, AEDAS Homes reviews a sample of employee expense reports to verify that they have been properly approved and there are no policy breaches.

As a listed company, AEDAS Homes has an internal control over financial reporting (ICFR) system to safeguard the accuracy and integrity of its financial disclosures, as stipulated in its Anti-Corruption Policy.

As part of its effort to reduce the risk of breaches of anti-corruption and anti-bribery regulations, AEDAS Homes has made specific anti-corruption knowledge pills available to all employees. That communication effort was designed to boost employee familiarity with the company's anti-corruption rules and reduce the risk of breaches of the relevant regulations.

Data protection regulations

AEDAS Homes has a specific model to ensure compliance with data protection requirements. That model is structured as follows:

Policies and procedures
Designed to guarantee lawful processing of data by the company.

Data protection clauses
Compliance with applicable disclosure and consent requirements.

Technical measures
Evidence attesting to compliance with performance of the company's duties to inform data subjects and seek their consent.

Security measures to safeguard the personal data hosted in our systems.

Data Protection Officer
Tasked with assessing and organising the management of private data within AEDAS Homes.

Procedures enabling data subjects to duly exercise their data protection rights

Procedures for guaranteeing the due management and reporting of any security breaches

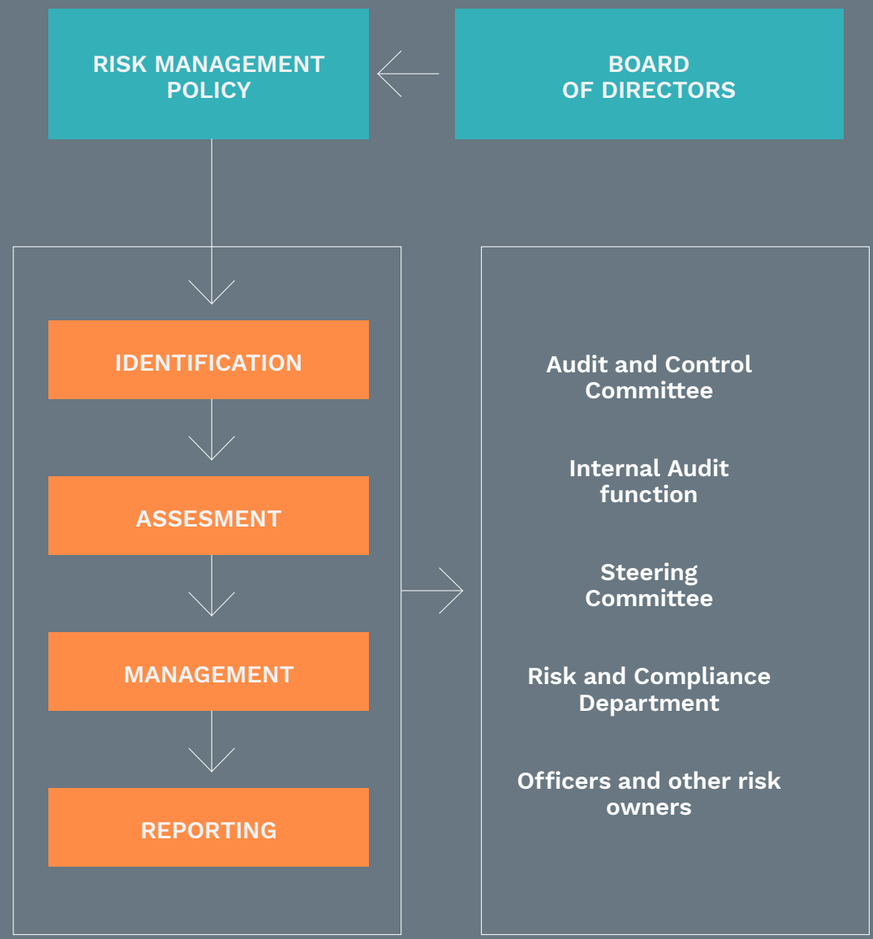
Data processing agreements

Annual controls
The results of those controls are reported to the company's Audit and Control Committee.

Risk management

Our enterprise risk management (ERM) system is regulated by our board-approved Risk Management Policy. The purpose of our risk model is to identify, evaluate, manage and report the risk factors that could jeopardise delivery of our strategic, business and financial objectives.

Components of the Risk Management System



Identification

the risks of relevance to AEDAS Homes are duly identified by its Steering Committee. Risk prospecting is conducted annually with the aim of identifying potential new risk factors that could jeopardise the company's ability to attain its strategic, business or financial objectives.

Assessment

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

Management

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

- Identifying specific risk events.
- Establishing monitoring KPIs for each risk event and assigning risk tolerance thresholds.
- Establishing action plans for any indicators that have breached the established tolerance thresholds.

AEDAS Homes' risk management model encompasses 28 risk categories

As stipulated in its Risk Management Policy, the following governing bodies are involved in the activities related with the risk management effort at AEDAS Homes:

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

Audit and Control Committee: its task is to supervise the internal control and risk management systems, making sure that the key risks are identified, managed and maintained within the planned levels. AEDAS Homes' internal audit function helps this committee carry out this duty.

Internal Audit function: responsible for supporting the Audit and Control Committee and management, playing an independent and objective assurance and advisory role to add value to and fine-tune the company's operations.

Steering Committee: its work involves allocating responsibilities for risk management, analysing the results of the risk assessments to determine their level of severity and approving attendant risk responses as necessary.

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

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

AEDAS Homes' risk management model encompasses the following 28 risk categories:

Strategic risks

- Fall in demand for new-build housing
- Land bank
- Customer satisfaction
- Availability of financing
- Reputation
- Share price performance
- Political risk
- Sector consolidation risk
- Falling short of ESG expectations

Operational risks

- Purchase of land
- Transformation of land
- Project execution
- Sales
- Talent management
- Technology
- Cybersecurity
- Health & safety
- Property security

Financial risks

- Interest rates
- Liquidity
- Availability of financing for customers
- Asset valuations
- Reliability of the financial information

Compliance risks

- Anti-money laundering legislation
- Criminal law
- Securities market law
- Tax law
- Environmental regulations

In FY 2022-23, AEDAS Homes continued to monitor and manage the risks deemed critical in line with the assessment conducted by the members of its Steering Committee in July 2022. Following that assessment, the risk factors currently deemed critical by the company are:

- Land bank
- Project execution (particularly cost and delivery time slippage in the construction of AEDAS Homes' developments)
- Customer satisfaction
- Talent management
- Fall in demand for new-build housing
- Cybersecurity
- Availability of financing for AEDAS Homes and for its customers
- Sales

In FY 2022-23, AEDAS Homes took the following measures with a view to monitoring and managing the risk factors itemised above:

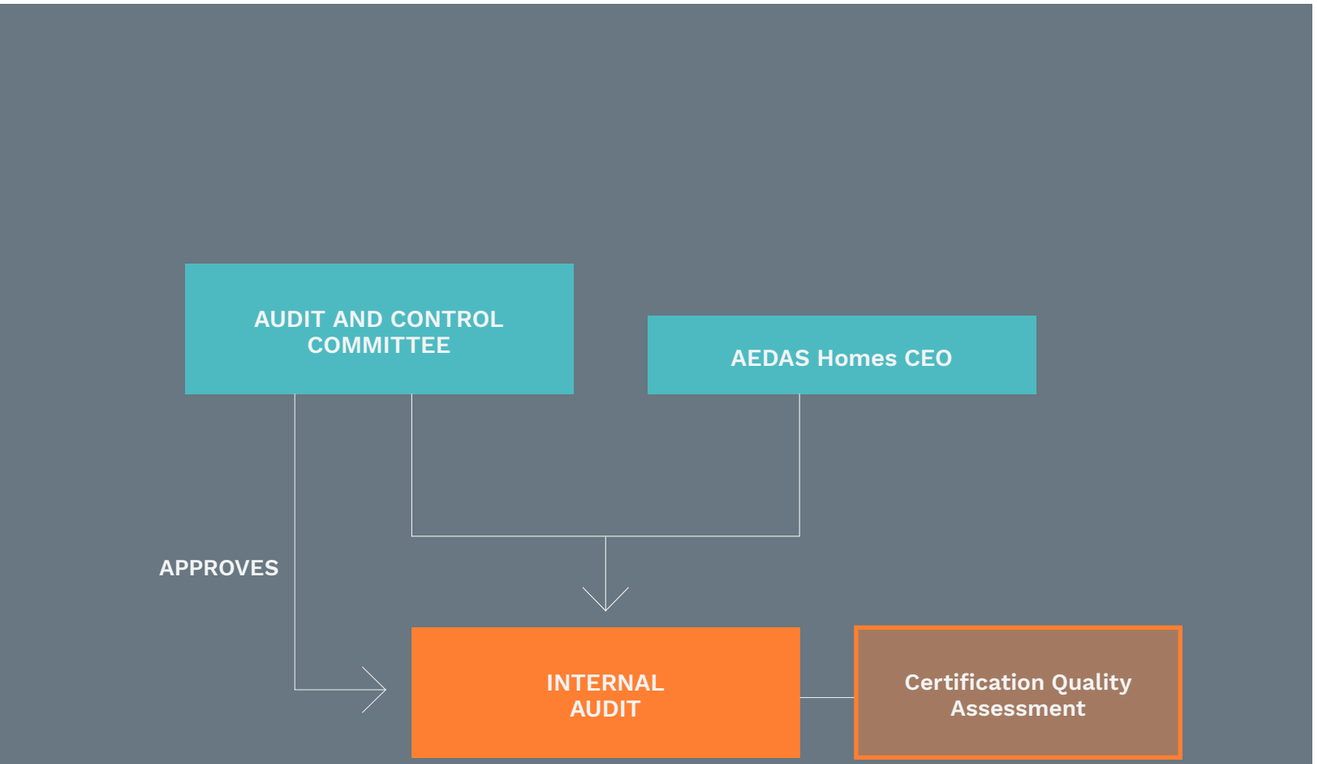
- Identification of the adequate monitoring indicators, such as:
  - Customer satisfaction levels.
  - Sales levels relative to target (quarterly and year-to-date).
  - Works delays.
  - Works started before the related financing has been secured.
  - Cybersecurity indicators (password changes, number of insiders, patching and updates, etc.)
  - Works cost overruns.
  - Trends in macroeconomic indicators.
  - Staff turnover.
- Establishment of tolerance thresholds that reflect the company's risk appetite in relation to each risk category.
- Regular monitoring of the status of the risk indicators so identified.
- Implementation and oversight of action plans designed to mitigate the risk factors.
- Regular reporting of the status of the indicators to the Audit and Control Committee.

The risks deemed critical were tracked quarterly and action plans were set in motion for those indicators which exceeded stipulated tolerance thresholds.

With regard to risks that materialised during the reporting period, the company sustained considerable growth in construction costs. In addition, the company's borrowing cost increased last year in the wake of the rate increases implemented by the European Central Bank (ECB).



Marina Real III (Denia)



Internal audit function

Our internal audit function is regulated by our Internal Audit Statute, duly approved by the Audit and Control Committee, as it reports functionally to the latter and hierarchically to the company's CEO.

The overriding mission of AEDAS Homes' internal audit function is to provide management and the Audit and Control Committee with reasonable assurance that the company is position to attain its business targets. To do so, it takes a systematic and disciplined approach to assessing and improving the effectiveness of the company's risk management and internal control processes, making suggestions and recommendations about how they can be improved with the ultimate goal of strengthening AEDAS Homes' control environment and governance.

AEDAS Homes' internal audit function obtained the Quality Assessment certification awarded by the Institute of Internal Auditors, in June 2020, evidencing compliance with that organisation's International Standards for the Professional Practice of Internal Auditing and Code of Ethics.

Integration of ESG aspects into the risk model

How companies govern themselves is coming under scrutiny from several angles. Regulators, investors and the boards of directors themselves are redefining corporate responsibility to include new competences that go beyond those defined in the traditional governance frameworks. All this is being strengthened by a paradigm shift in which sustainability and non-financial considerations are becoming an increasingly important to stakeholders. In lines with these trends, here at AEDAS Homes, we have set our sights on developing a unique business model in which over 75% of our stakeholders consider us the benchmark developer in Spain for ESG practices.

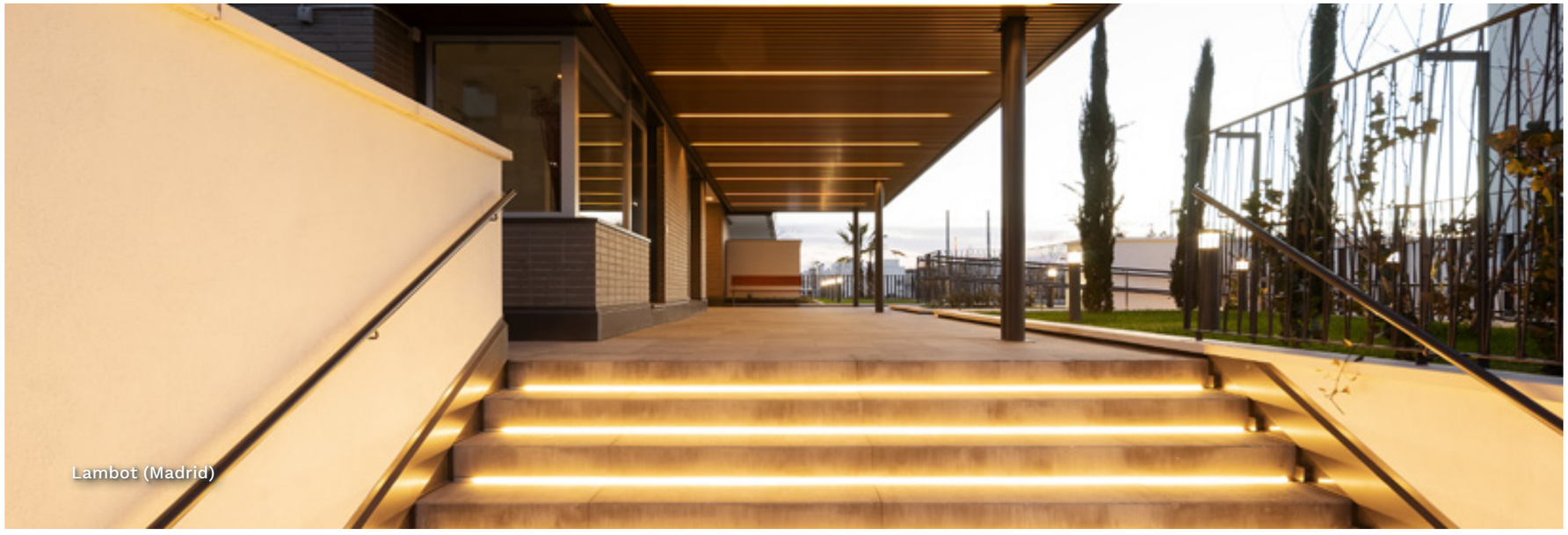


To achieve that goal, in FY 2022-23, AEDAS Homes rolled out the following governance initiatives:

Certifying the compliance system under UNE 19601

UNE 19601 establishes the requirements for implementing, maintaining and continually upgrading management systems for criminal compliance within organisations so as to prevent the commission of crime and reduce attendant risks.

The text of the standard not only implements requirements in response to the contents of the Criminal Code for crime prevention and management models, but it also embraces globally accepted best practices in compliance.



Lambot (Madrid)

Improving the company's ESG risk rating score

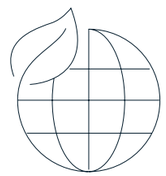
In May 2021, AEDAS Homes obtained its first ESG risk rating from Sustainalytics, a leading independent ESG and corporate governance research, ratings and analytics firm. That first score was 15.7. In FY 2022-23, Sustainalytics carried out its second study of the company's exposure to common ESG risks in the real estate development sub-industry, assessing the company's management of those risks, once again rating it as "low risk", with a score of 13.2, an annual improvement of 2.5 points.

At the time of writing, the company ranked in the third percentile in its sub-industry within the Sustainalytics universe. As the company continues to execute its ESG Strategic Plan it expects to further improve its annual scores.

Incorporating ESG targets and milestones into the company's communication plans

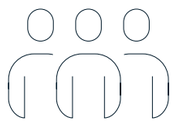
AEDAS Homes has integrated sustainability considerations into its various communication plans to better communicate its ESG efforts to its stakeholders.

In total, it recorded 357 communication items in FY 2022-23:



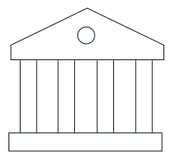
Environmental

93 communication items, notably highlighting the sustainability initiatives and characteristics of some of its developments (dual-flow ventilation, etc.)



Social

70 communication items covering the company's community work initiatives, sponsorships and agreements with associations.



Governance

85 communication items related to the company's earnings, agreements with third parties, speeches and interviews with the CEO and other executives and, in general, the most relevant issues for the company and its stakeholders.

This communication effort mainly took the form of press releases, participation in conferences and written responses to media enquiries.

The company also laid the foundations for implementing an internal and external communication strategy covering the environmental and social dimensions of its Strategic Plan with the aim of showcasing all the initiatives it undertakes in both areas.

The above initiatives are additional to those pursued in recent years around the corporate governance dimension.

ESG Policy

The ESG Policy officially sets down specific lines of initiative in corporate governance, in line with our mission and values and the promises made to our stakeholders. This policy also assigns duties and identifies the specific resources for ensuring that the new policy is upheld.

Among other commitments, this policy includes the company's health, safety and wellbeing pledges, its equal opportunities and employee and partner diversity promises and its social development and environmental protection undertakings. It also specifies the responsible practices that must be upheld by all our suppliers, including compliance with prevailing legislation, the Code of Conduct for Third Parties and AEDAS Homes' internal rules and regulations. It stipulates that the company actively foster the use of suppliers that are aligned with its ESG strategy and health and safety standards.

The policy is framed by the United Nations Sustainable Development Goals (SDGs) adopted by the World Green Building Council, as well as the United Nations Global Compact principles.

Inclusion of an ESG performance metric in the 3-year incentive plan for senior management and key employees: the goal is to obtain AA energy ratings for at least 60% of our developments activated (with Project Launch Certificates) during the period elapsing between 1 April 2021 and 31 March 2024.

Inclusion of an ESG performance metric in company-wide remuneration targets: remuneration has been tied to our environmental performance by including an ESG target in our employees' variable remuneration regime for the second year in a row. For FY 2022-23, that target, which had been met at year-end, was to have 45% of our developments attain AA certification.

Integration of ESG risk factors into the risk map: Following reassessment of its corporate risk map, the company added two specific ESG risks: talent attraction and retention and customer satisfaction (for the second year in a row).


Sede corporativa AEDAS Homes

The ESG Policy is framed by the United Nations Sustainable Development Goals (SDGs) adopted by the World Green Building Council, as well as the United Nations Global Compact principles

About this report

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Where to find disclosures required under Spanish Law 11/2018

Methodology

The FY 2022-23 Integrated Annual Report provides complete, relevant and accurate information about the business model and the economic, social, environmental and governance performance of AEDAS Homes S.A. and all its subsidiaries during the fiscal year elapsed between 1 April 2022 and 31 March 2023.

This document constitutes the non-financial statement (NFS) which accompanies the annual consolidated financial statements, in conformity with Spanish Law 11/2018. For detailed information about where to find the non-financial information required under that piece of legislation, refer to the “Where to find disclosures required under Spanish Law 11/2018” section in the following pages.

The report was prepared using the Foundation 2021 version of the GRI Standards as a reference, the Integrated Reporting Framework and the Global Compact principles.

To provide a holistic vision of the company’s reality and expound on the material topics, the Corporate Resources Department collaborated on the report, with the Finance Department taking responsiblility for its preparation.

This report has been independently assured by Ernst & Young, the group’s financial statement auditor. Following that assurance process, the Board of Directors, which is ultimately responsible for the report, validated and approved its issuance at a meeting held on 30 May 2023.

For additional insight into the company’s performance, the reader is also referred to the following official reports, which are accessible from its corporate website: the annual financial statements, Annual Corporate Governance Report and Annual Report on Director Remuneration. The Annual Corporate Governance Report and Annual Report on Director Remuneration form part of this report and are accessible on the CNMV website.

Materiality

The material topics addressed throughout this report were defined around the company’s map of identified financial and non-financial risks and the materiality assessment conducted in 2021.

In carrying out that assessment, starting from an initial raft of external and internal sources, the team came up with a preliminary list of material topics which were then submitted to AEDAS Homes’ main departments for endorsement with the aim of prioritising them in order of importance, the level to which they are already being adequately addressed and their relevance in relation to the reporting legislation and frameworks analysed. For each topic, a descriptive file was then put together setting out the key aspects, risk factors and trends, as well as their impacts in relation to the Sustainable Development Goals.

Material topics	Priority	ESG Dimension
Developing property for sustainability and wellbeing	High	Environmental
Climate change	High	Environmental
Environmental management	High	Environmental
Customer experience and quality	Medium	Social
Shareholder value	Medium	Governance
Ethics and compliance	Medium	Governance
Generation of quality employment	Medium	Social
Risk management	Medium	Governance
Corporate governance and sustainability	Medium	Governance
Talent attraction, retention and development	Medium	Social
Brand and reputation	Medium	Governance
Digitalisation and innovation	Medium	Governance
Diversity and equality	Medium	Social
Transparency and stakeholder engagement	Medium	Governance
Sustainable finance	Medium	Governance
Circular economy	Medium	Environmental
Biodiversity	Medium	Environmental
Community engagement	Medium	Social

Contact information

Company name	**AEDAS Homes, S.A.**
Headquarters address	**Paseo de la Castellana, 130 5th floor** **28046 Madrid, Spain**
Telephone	**+34 917 880 000**
General email contact	**info@aedashomes.com**
Corporate website	**www.aedashomes.com**
Capital social	**€46,806,537**
Share capital	**46,806,537**
Share face value	**€1.00/share**
Business activity	**Residential development**
Market	**Spain**

Events after the reporting period

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

- During the month of April 2023, the AEDAS Group **amortised developer loans for a total of €17.80 million.**

- During the months of April and May 2023, the AEDAS Group **signed developer loans with a mortgage guarantee for a total of €73.68 million**, in order to finance seven developments in progress. The interest rate on these loans is EURIBOR plus a spread of between 225 and 300 basis points..

- At 25 May 2023, the **total treasury stock** held by AEDAS Homes at close of market was 3,402,709 securities representing **7.27% of the capital acquired at an average price of €19.17/ share**. The total number of securities acquired through Discretionary Management was zero; the total number of securities acquired through the Buyback Programme was 97,077 securities representing 0.21% of the capital at an average price of €13.60/share and the total number of securities acquired in the block market was zero.

- On May 25, 2023, AEDAS Homes was **recognised at the 20th ASPRIMA-SIMA 2023 Awards**, taking home the prize for **"Best ESG Progress**", highlighting the company's ESG Strategic Plan. The jury especially valued the continuity that the ESG Strategic Plan gives to the numerous ESG initiatives that the company has focused on since its founding, while allowing it to reflect on, measure and strengthen its sustainability, social and good governance commitments, which were already evident with its adherence to the United Nations Global Compact in 2019.

- On May 30, 2023, the Board of Directors **proposed the distribution of a Complementary Dividend** (in addition to the Interim Dividend), to be charged to the profit for the year ended 31 March 2023 of **€1.15/share** by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at 31 March 2023 (3,305,632 shares), the **maximum Dividend to be distributed** (Interim Dividend + Complementary Dividend) would be **€93,534,946,** leaving an unallocated income of €2,630,701 (see Notes 3 and 14 of Consolidated Financial Statements for the year ending 31 March 2023).

- On 30 May 2023, the Board of Directors **proposed a share capital reduction of the Company for an amount equal to €3,106,537 through the redemption of 3,106,537 treasury shares**, with a par value of one euro each, corresponding to **6.64% of the share capital** of the Company, and acquired under the Share Buyback Programme.

External verification report

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended March 31, 2023

AEDAS HOMES S.A. and SUBSIDIARIES

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Building a better working world

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of AEDAS HOMES S.A:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended March 31, 2023, of AEDAS HOMES S.A. and subsidiaries (hereinafter, the Group), which is part of accompanying Consolidated Management Report of AEDAS HOMES S.A.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the annex "Traceability Law 11/2018" of the accompanying Management Report.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of AEDAS HOMES S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by current commercial regulation and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in table "Traceability Law 11/2018" the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65, 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2023 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2022/2023 based on the materiality analysis made by the Group and described in the section "Materiality", considering the content required by prevailing mercantile regulations.
- Analysis of the processes for gathering and validating the data included in the 2022/2023 Non-Financial Statement.
- Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022/2023 NFS.
- Check, through tests, based on a selection of a sample, the information related to the content of the 2022/2023 NFS and its correct compilation from the data provided by the information sources.
- Obtaining a representation letter from the Board of Directors and Management.

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Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended March 31, 2023 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the table "Traceability Law 11/2018" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Elena Fernández García

May 30th, 2023

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GRI content index

Declaration of use
AEDAS Homes presents the information cited in this GRI Content Index for its FY 2022-23 (1 April 2022 - 31 March 2023), using the GRI Standards as a reference.
GRI Standard used
GRI 1: Foundations 2021

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-1 Organisational details	AEDAS Homes at a glance Contact information	10-11 176
	2-2 Entities included in the organisation's sustainability reporting	Background	20
	2-3 Reporting period, frequency and contact point	Methodology Contact information	175 176
	2-4 Restatements of information	Methodology	175
	2-5 External assurance	External verification report	178
	2-6 Activities, value chain and other business relationships	Background Our lines of business Our business model Our suppliers, allies in our sustainable construction bid	16-20 21-26 27-33 106-115
	2-7 Employees	Our professionals, the talent driving our growth Appendix - Data tables	90-92 194-196
	2-9 Governance structure and composition	Governing bodies	144-160

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Governing bodies	145
	2-11 Chair of the highest governance body	Governing bodies	150
	2-12 Role of the highest governance body in overseeing the management of impacts	Committed to sustainable development	38
	2-13 Delegation of responsibility for managing impacts	Committed to sustainable development	38
	2-14 Role of the highest governance body in sustainability reporting	Methodology	175
	2-19 Remuneration policies	Governing bodies	160
	2-22 Statement on sustainable development strategy	Chairman's statement	3-5
	2-23 Policy commitments	Committed to sustainable development	34-39
	2-24 Embedding policy commitments	Integration of ESG aspects into the risk model	171-173
	2-25 Processes to remediate negative impacts	Risk Management	167-169
	2-27 Compliance with laws and regulations	Business ethics	163-165
	2-28 Membership associations	Our contribution to community development	119
	2-29 Approach to stakeholder engagement	Stakeholder engagement	71,72
	2-30 Collective bargaining agreements	Our professionals, the talent driving our growth	93

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality	175
	3-2 List of material topics	Materiality	175
	3-3 Management of material topics	Materiality Towards sustainable construction Our customers, our inspiration to innovate Our shareholders, key support for our business Business ethics Our professionals, the talent driving our growth Risk Management Stakeholder engagement Our contribution to community development	175 126-141 79-89 116 161-166 90-105 167-169 71-72 116-125
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our contribution to community development	117
	201-4 Financial assistance received from government	Our contribution to community development	118
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Our suppliers, allies in our sustainable construction bid	107
GRI 205: Anti-corruption 2016	Anti-corruption and bribery	Business ethics	161-166
GRI 207: Tax 2019	207-1 Approach to tax	Our contribution to community development	117

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental footprint of AEDAS Homes offices	139
	302-4 Reduction of energy consumption	Environmental footprint of AEDAS Homes offices	139
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environmental footprint of AEDAS Homes offices	139
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental footprint of AEDAS Homes offices	139
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental footprint of AEDAS Homes offices	139
	305-5 Reduction of GHG emissions	Environmental footprint of AEDAS Homes developments	134-137
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Environmental footprint of AEDAS Homes offices	139
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our suppliers, allies in our sustainable construction bid	109

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our professionals, the talent driving our growth	103,104
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our professionals, the talent driving our growth	105
	403-5 Worker training on occupational health and safety	Our professionals, the talent driving our growth	105
	403-6 Promotion of worker health	Our professionals, the talent driving our growth	104
	403-9 Work-related injuries	Our professionals, the talent driving our growth	103
	403-10 Work-related ill health	Our professionals, the talent driving our growth	103
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our professionals, the talent driving our growth	97
	404-2 Programs for upgrading employee skills and transition assistance programs	Our professionals, the talent driving our growth	97
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our professionals, the talent driving our growth Governing bodies	92 148
	405-2 Ratio of basic salary and remuneration of women to men	Appendix - Data tables	194-196

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Business ethics	161-162
GRI 412: Human Rights Assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Business ethics	165
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Our contribution to community development	121-125
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Our suppliers, allies in our sustainable construction bid le	109

Where to find disclosures required under Spanish Law 11/2018

Index of the content required under Spanish Law 11/2018, of 28 December 2018, amending the Code of Commerce, the consolidated text of the Corporate Enterprises Act enacted by Royal Decree-Law 1/2010, of 2 July, and Law 22/2015, of 20 July, on financial statement audits, as regards non-financial and diversity reporting.

GENERAL INFORMATION			
Business model			
Brief description of the group's business model (business environment and organization)	2-1 2-2 2-6	AEDAS Homes at a glance Background Our lines of business Our business model Contact information Our suppliers, allies in our sustainable construction bid	10,11 16-20 21-26 27-33 176 106-115
Geographical presence	2-1	AEDAS Homes at a glance Contact information	10-11 176
Objectives and strategies of the organisation	2-22	Chairman's statement Our strategy	3-5 40-43
Main factors and trends that may affect its future evolution	- 2-25	Economic and market dynamics Risk management	45-48 167-169
General			
Mention in the report of the national, European or international reporting framework used for the selection of key indicators of non-financial results included in each of the sections	GRI 1: Foundations 2021	Methodology GRI Content Index	175 178

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General information			
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The results of these policies	2-27	Environmental footprint of our developments Environmental footprint of AEDAS Homes offices	134-137 138-141
The main risks related to those topics or issues	-	Climate change risk management	14
Detailed information			
On current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	-	Environmental footprint of our developments Environmental footprint of AEDAS Homes offices	134-137 138-141
Regarding the environmental evaluation or certification procedures	-	Environmental footprint of our developments Environmental footprint of AEDAS Homes offices	135 142
On the resources dedicated to the prevention of environmental risks	-	During the past fiscal year, the company earmarked expenses and investments amounting to €814,216.10 for environmental purposes. In the previous year, the budget allocated to environmental purposes was €432,101, up 88% over the prior year.	
On the application of the Precautionary Principle	3-3	Trailblazers in sustainable construction	127-132
On the amount of provisions and guarantees for environmental risks	-	Environmental footprint of AEDAS Homes offices	139
● **Pollution**			
Measures to prevent, reduce or repair emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution	-	Environmental footprint of our developments	136

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS-REFERENCED WITH GRI DISCLOSURES (ILLUSTRATIVE)	LOCATION OR DIRECT RESPONSE	PAGE
● Circular Economy and prevention and management of waste			
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● Sustainable use of resources			
Water consumption and water supply according to local limitations	303-5	Environmental footprint of AEDAS Homes offices	139
Consumption of raw materials and measures adopted to improve the efficiency of their use	-	Environmental footprint of AEDAS Homes offices	139
Consumption of energy (direct and indirect)	302-1	Environmental footprint of AEDAS Homes offices	139
Measures taken to improve energy efficiency	302-4	Environmental footprint of AEDAS Homes offices	138-140
Use of renewable energy	302-4	Environmental footprint of AEDAS Homes offices	140
● Climate change			
Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	-	We do not have proprietary equipment that generates emissions of substances that deplete the ozone layer (ODS), nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions into the air.	
Measures taken to adapt to the consequences of climate change	-	Climate change risk management	141
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	305-5	Environmental footprint of our developments	134-137
● Biodiversity protection			
Measures taken to preserve or restore biodiversity	-	Environmental footprint of our developments Trailblazers in sustainable construction	136 130
Impacts caused by activities or operations in protected areas	-	AEDAS Homes does not have offices or carry out activity in protected areas	

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS-REFERENCED WITH GRI DISCLOSURES (ILLUSTRATIVE)	LOCATION OR DIRECT RESPONSE	PAGE
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● **Employment**			
Total number and breakdown of employees according to criteria representative of diversity (sex, age, country, etc.)	2-6 2-7 405-1	Our professionals, the talent driving our growth Appendix - Data tables	91-92 194-196
Total number and distribution of types of employment contracts, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	2-7	Appendix - Data tables	194-196
Number of dismissals by sex, age and professional classification	401-1	Appendix - Data tables	194-196
Average remuneration and its trend broken down by sex, age and professional classification or equal value	405-2	Appendix - Data tables	194-196
Salary gap, remuneration for equal or average jobs in society	405-1	Appendix - Data tables	194-196
Average remuneration of Directors and company executives, including variable remuneration, per diems, indemnities, payment to long-term savings pension systems and any other kind of payment, broken down by sex	405-2	Remuneration policy	160
Implementation of right to disconnect policies	-	Our professionals, the talent driving our growth	100
Employees with disabilities	405-1	Our professionals, the talent driving our growth	92

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS-REFERENCED WITH GRI DISCLOSURES (ILLUSTRATIVE)	LOCATION OR DIRECT RESPONSE	PAGE
● Workplace organisation			
How working time is organised	-	Our professionals, the talent driving our growth	100
Number of hours of absenteeism	-	Our professionals, the talent driving our growth	101
Measures designed to foster a work-life balance and encourage the responsible use of those measures by both parents	-	Our professionals, the talent driving our growth	100
● Occupational Health and Safety			
Health and safety conditions at work	403-1	Our professionals, the talent driving our growth	103-105
Workplace accidents, specifying frequency and severity, as well as work-related illnesses broken down by gender	-	Our professionals, the talent driving our growth	103
● Labour relations			
How management-employee dialogue is organised, including procedures for informing, consulting and negotiating with employees	-	Stakeholder engagement Our professionals, the talent driving our growth	72 101
Percentage of employees covered by collective bargaining agreements, by country	2-30	Our professionals, the talent driving our growth	93
List of collective agreements, particularly in the field of occupational health and safety	403-4	Our professionals, the talent driving our growth	105
● Training			
Training policies implemented	-	Our professionals, the talent driving our growth	97
Total number of training hours by job category	404-1	Our professionals, the talent driving our growth	97
Universal accessibility for people with disabilities	405-1	Our professionals, the talent driving our growth	99
● Equality			
Measures taken to foster equal treatment of and equality opportunity among women and men	405-2	Our professionals, the talent driving our growth	99

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS-REFERENCED WITH GRI DISCLOSURES (ILLUSTRATIVE)	LOCATION OR DIRECT RESPONSE	PAGE
Equality plans (Chapter III of Organic Law 3/2007, of 22 March, on effective gender equality), measures taken to foster employment, protocols against sexual and gender-based harassment, workplace integration and universal accessibility for people with disabilities	-	Our professionals, the talent driving our growth	99
Policies against discrimination in all its forms and, where appropriate, diversity management	-	Our professionals, the talent driving our growth	93
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General information			
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The results of these policies	3-3	Commitment to sustainable development See Code of Conduct See Code of Conduct for Third Parties	34-39
The main risks related to those topics or issues	-	Business ethics	163-165
Detailed information			
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Claims of human rights abuses	-	Business ethics	165
Promotion of and compliance with the provisions contained in the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining; the elimination of workplace discrimination; the elimination of forced or compulsory labour; the effective abolition of child labour.	414-1	Our suppliers, allies in our sustainable construction bid	109

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A description of the policies applied by the Group regarding said issues	3-3	Commitment to sustainable development Business ethics See Anticorruption Policy	34-36 161-165 161-162
The results of these policies	3-3	Commitment to sustainable development Business ethics See Anticorruption Policy	34-36 161-165 161-162
The main risks related to those topics or issues	-	Commitment to sustainable development Business ethics See Anticorruption Policy	34-36 161-165 161-162
Detailed information			
Measures taken to prevent corruption and bribery	2-27	Business ethics	163-165
Measures taken to combat money laundering	2-27	Business ethics	163-165
Contributions to non-profit entities	-	Contributions to foundations and non-profit entities: €72,168	
SOCIETY MATTERS			
General information			
A description of the policies applied by the Group regarding said issues	3-3	Our contribution to community development	116-125
The results of these policies	3-3	Our contribution to community development	116-125
The main risks related to those topics or issues	-	Business ethics	163-165

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS-REFERENCED WITH GRI DISCLOSURES (ILLUSTRATIVE)	LOCATION OR DIRECT RESPONSE	PAGE
Detailed information			
● Commitment to sustainable development			
The impact of the undertaking's activities on local employment and development	201-1 204-1 413-1	Our contribution to community development Our suppliers, allies in our sustainable construction bid Our customers, our inspiration to innovate	116-125 106-115 79-89
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Engagement with local community representatives; communication channels in place	-	Our suppliers, allies in our sustainable construction bid	118
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● Outsourcing and suppliers			
Inclusion of social, gender quality and environmental matters in procurement policies	2-6 308-1 414-1	Our suppliers, allies in our sustainable construction bid	106-115
How social and environmental responsibility is factored into relations with suppliers and subcontractors.	308-1 414-1	Our suppliers, allies in our sustainable construction bid	109
Supplier oversight and audit systems and related outcomes.	-	Our suppliers, allies in our sustainable construction bid	109
● Consumers			
Consumer health and safety measures	-	Our customers, our inspiration to innovate	89
Consumer claims, complaints and remediation systems	-	Our customers, our inspiration to innovate	83
● Tax information			
Tax Policy	207-1	Our contribution to community development	117

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS-REFERENCED WITH GRI DISCLOSURES (ILLUSTRATIVE)	LOCATION OR DIRECT RESPONSE	PAGE
Profits earned, country by country	-	AEDAS Homes operates solely in Spain. Information on profit can be found in the “Financial Results” section of this report	55-58
Corporate income tax paid	207-1	Earnings performance	58
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OTHER RELEVANT INFORMATION			
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Corporate governance	2-9 2-11 2-19	Corporate governance	142-173

Appendix

Data tables

Headcount at year-end	2021-2022	2022-2023
Men	148	151
Women	155	151
Total	**303**	**302**

Headcount at year-end	2021-2022	2022-2023
Permanent contract	263	289
Temporary contract	40	13
Total	**303**	**302**

Headcount at year-end	2021-2022	2022-2023
Under 30	18	15
From 30 to 50	212	197
Over 50	73	90
Total	**303**	**302**

Headcount at year-end	2021-2022	2022-2023
Executives	55	52
Middle managers	68	74
Other roles	180	176
Total	**303**	**302**

Headcount at year-end

	2021-22		2022-23	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Men	136	12	148	3
Women	127	28	141	10
Total	**263**	**40**	**289**	**13**

Note that the company does not have part-time contracts.

Headcount at year-end

	2021-22		2022-23	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Under 30	11	7	10	5
From 30 to 50	182	30	190	7
Over 50	70	3	89	1
Total	**263**	**40**	**289**	**13**

Headcount at year-end

	2021-22		2022-23	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Executives	55	-	52	
Middle managers	62	6	74	
Other roles*	146	34	163	13
Total	**263**	**40**	**289**	**13**

Contract termination by gender

	2021-2022	2022-2023
Men	13	8
Women	10	16
TOTAL DISMISSALS	**23**	**24**

Contract termination by age

	2021-2022	2022-2023
Under 30	1	2
From 30 to 50	17	15
Over 50	5	7
Total	**23**	**24**

Contract termination by category

	2021-2022	2022-2023
Executives	6	3
Middle managers	2	4
Other roles*	15	17
Total	**23**	**24**

* Technical, administrative and other roles

Average salary* by Category (€)

	2021-22			2022-23		
	Men	Women	Percentage	Men	Women	Percentage
Executives	111.616	110.218	1,3%	109.836	109.040	0,7%
Middle managers	57.431	49.496	13,8%	56.744	49.462	12,8%
Technical roles	43.156	37.941	12,1%	44.510	39.385	11,5%
Sales roles	21.000	22.028	-4,9%	21.000	22.313	-6,3%
Administrative roles	26.354	23.106	12,3%	25.686	24.347	5,2%

* Data from 31/3/2022- 31/3/2023 Annual Gross Salary

Average salary* by age range (€)

	2021-22			2022-23		
	Men	Women	Percentage	Men	Women	Percentage
Under 30	28.333	28.800	-1,6%	34.667	29.545	14,8%
From 30 to 45	45.852	35.225	23,2%	51.350	37.869	26,3%
Over 45	78.764	54.140	31,3%	74.132	52.634	29,0%

* Data from 31/3/2022- 31/3/2023 Annual Gross Salary

Absenteeism

	Hours of absenteeism		Absenteeism index	
	2021-2022	2022-2023	2021-2022	2022-2023
Work injury	2.648	608	0,5%	0,1%
Common illness	6.368	9152	1,2%	1,7%
Maternity or paternity leave	6.640	8800	1,3%	1,6%
Total	**15.656**	**18.560**	**3,1%**	**3,5%**

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