

**Audit Report on Financial Statements
issued by an Independent Auditor**

**AEDAS HOMES, S.A.
Financial Statements and Management Report
for the year ended
March 31, 2023**



AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See note 21)

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

Report on the financial statements

Opinion

We have audited the financial statements of AEDAS HOMES, S.A. (the Company), which comprise the balance sheet as at March 31, 2023, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at March 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in note 2.a to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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

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

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

Key audit matters

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

Measurement of equity instruments and loans to group companies

Description As indicated in notes 4.5, 7 and 8 to the accompanying financial statements, at March 31, 2023, the Company recognized non-current equity investments amount to 204,870,835 euros and non-current and current loans to group companies amounting to 4,561,099 euros and 750,836,598 euros, respectively, through these investees, the Company manages the acquisition of land and sites and their exploitation by sale housing developments.

At each reporting date, the Company's directors test these equity investments and loans for indications of impairment. Impairment losses are recognized when their carrying amount exceeds their recoverable amount.

Impairment loss is calculated as the difference between the investment's carrying amount and recoverable amount, deemed to be the higher of fair value less costs to sell and the present value of the projected cash flows from the investment.

The Company takes investee's equity into consideration, adjusted for any unrealized gains existing at the measurement date, unless better evidence of the recoverable amount of the investment is available.

To estimate the aforementioned unrealized capital gains, the Company uses appraisals carried out by an independent expert on the investment properties owned by each of the group companies and compares them to the net book value of the related assets.

The risk of the incorrect valuation of the movements in these assets and their possible impairment, as well as the relevance of the amounts involved, cause us to consider the valuation of the investments in group companies and non-current and current loans to group companies as a key audit matter.

Our response

In this regard, our audit procedures included the following, among others:

- ▶ Understanding Company management's processes to determine the measurement of equity instruments and loans to group companies, including evaluation of the design and implementation of the relevant controls.
- ▶ Reviewing the analysis carried out by the Company to identify indications of impairment and calculation of the recoverable amount, through the evaluation, in collaboration with our valuation experts, the valuation methodology used by the independent expert for a sample of the properties appraised by the latter, the review of which specifically encompassed a mathematical assessment of the model, an analysis of the projected cash flows and a review of the discount rates used.
- ▶ Reviewing the disclosures included in the notes to the accompanying financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: management report

Other information refers exclusively to the 2023 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

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

- a. Checking only that the non-financial statement and certain information included in the Corporate Governance Report and the Annual Report on the Remunerations of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2023 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit and control committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in note 2.a to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of AEDAS HOMES, S.A. for the 2023 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of AEDAS HOMES S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Annual Report on the Remunerations of Directors have been incorporated by reference in the management report

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

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit and control committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and control committee on May 30, 2023.

Term of engagement

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

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

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

(Signed in the original version)

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

May 30, 2023

AEDAS HOMES S.A.

Financial statements for the year ended March 31, 2023, and Management Report

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

AEDAS HOMES S.A.
BALANCE SHEETS AT MARCH 31, 2023 AND MARCH 31, 2022
(Euros)

ASSETS	Note	March 31, 2023	March 31, 2022	EQUITY AND LIABILITIES	Note	March 31, 2023	March 31, 2022
NON-CURRENT ASSETS:				EQUITY:			
Intangible assets	5	3,827,330	2,539,406	Capital	10	46,806,537	46,806,537
Software		3,139,282	2,294,917	Issued capital		46,806,537	46,806,537
Other intangible assets		688,048	244,489	Share premium	10	478,534,502	478,534,502
Property, plant and equipment	6	2,956,220	1,636,533	Reserves	10	(299,721,536)	(299,735,041)
Land and buildings		1,676,167	588,883	(Own shares and equity holdings)	10	(63,922,166)	(55,868,955)
Plant and other PP&E		524,529	500,519	Retained earnings (prior-year losses)	10	14,057,168	-
Construction work in progress and prepayments		755,524	547,131	Other shareholder contributions	10	740,071,256	740,071,256
Non-current investments in group companies and associates		209,431,934	853,709,806	Profit/(loss) for the year	3	96,165,647	109,368,115
Equity instruments	7	204,870,835	203,219,624	(Interim dividend)	10	(43,508,905)	(36,153,300)
Loans to companies	8 & 16	4,561,099	650,490,182	Other equity instruments	10	8,236,447	6,617,788
Non-current financial investments		34,558	28,392	Total Equity		976,718,950	989,640,902
Other non-current financial assets	8	34,558	28,392				
Deferred tax assets	13	2,061,279	1,656,614				
Total non-current assets		218,311,321	859,570,751	NON-CURRENT LIABILITIES			
CURRENT ASSETS:				Non-current borrowings from group and related companies and associates	12 & 16	2,496,752	-
Trade and other receivables		56,282,581	51,573,216	Deferred tax liabilities	13	12,200	13,454
Trade receivables	8	1,604	146	Total non-current liabilities		2,508,952	13,454
Trade receivables, group companies and associates	8	53,882,146	51,462,173				
Sundry receivables	8	28,742	22,964				
Personnel	8	1,359	-	CURRENT LIABILITIES			
Current tax assets	13	73,697	73,696	Current borrowings	12	44,574,854	37,717,051
Other receivables from public authorities	13	2,295,033	14,237	Bonds and other marketable securities		44,367,965	37,549,453
Current investments in group companies and associates	8 & 16	789,056,629	99,504,675	Other financial liabilities		206,889	167,598
Current loans to group companies and associates		750,836,598	6,771,595	Current borrowings from group and related companies and associates	12 & 16	1,063,380	4,808,625
Other financial assets		38,220,031	92,733,080	Trade and other payables	12	63,588,961	41,430,246
Current financial assets	8	71,116	216,054	Suppliers	12	355,629	157,437
Prepayments and accrued income		397,001	123,943	Payable for services received	12	3,075,724	2,549,531
Cash and cash equivalents	9	24,336,449	62,621,639	Employee benefits payable	12	3,728,173	3,848,791
Cash		19,336,449	42,713,757	Current tax liabilities	13	28,653,717	15,915,737
Cash equivalents		5,000,000	19,907,882	Other payables to public authorities	13	27,775,718	18,958,750
Total current assets		870,143,776	214,039,527	Total current liabilities		109,227,195	83,955,922
TOTAL ASSETS		1,088,455,097	1,073,610,278	TOTAL EQUITY AND LIABILITIES		1,088,455,097	1,073,610,278

The accompanying notes 1 to 20 are an integral part of the balance sheet at March 31, 2023.

AEDAS HOMES S.A.

INCOME STATEMENT FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022

(Euros)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
CONTINUING OPERATIONS			
Revenue	14.a	149,815,817	160,072,531
Revenue from services rendered		68,610,876	63,472,531
Dividend received		81,204,941	96,600,000
Other operating income		199,384	37,548
Non-trading and other operating income		199,384	37,548
Employee benefits expense	14.c	(27,996,617)	(26,281,426)
Wages, salaries and similar		(23,437,049)	(21,992,088)
Employee benefits		(4,559,568)	(4,289,338)
Other operating expenses		(16,012,188)	(13,811,252)
External services	14.b	(15,916,449)	(13,727,001)
Taxes other than income tax		(41,580)	(45,705)
Other operating expenses		(54,159)	(38,546)
Depreciation and amortization	5 & 6	(1,840,599)	(1,153,230)
Impairment and gain or loss on disposal of fixed assets		(7,634)	35,900
Gains (losses) on disposal and other		(7,634)	35,900
OPERATING PROFIT/(LOSS)		104,158,163	118,900,071
Finance income		2,243	890
Marketable securities and other financial instruments, third parties		2,243	890
Finance costs	14.d	(1,295,912)	(3,573,390)
Group companies and associates	16	(50,949)	(25,475)
Third-party borrowings		(1,244,963)	(3,547,915)
Change in fair value of financial instruments	12.4	(504,060)	(19,835)
Held-for-trading portfolio and other securities		(504,060)	(19,835)
Exchange gains/(losses)		-	(1,444)
Impairment and gains/(losses) on disposal of financial instruments	7	(169,273)	(140,839)
Impairment and losses		(169,273)	(140,839)
NET FINANCE INCOME/(COST)		(1,967,002)	(3,734,618)
PROFIT/(LOSS) BEFORE TAX		102,191,161	115,165,453
Income tax	13	(6,025,514)	(5,797,338)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		96,165,647	109,368,115
DISCONTINUED OPERATIONS			
Profit/(loss) after tax for the period from discontinued operations		-	-
PROFIT/(LOSS) FOR THE YEAR		96,165,647	109,368,115

Accompanying notes 1 to 20 are an integral part of the income statement for the year ended March 31, 2023.

AEDAS HOMES S.A.**STATEMENT OF CHANGES IN EQUITY****FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022****A) STATEMENT OF RECOGNISED INCOME AND EXPENSE**

(Euros)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
PROFIT/(LOSS) FOR THE PERIOD (I)	3	96,165,647	109,368,115
Income and expense recognised directly in equity		-	-
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		-	-
TOTAL AMOUNTS TRANSFERRED TO PROFIT OR LOSS (III)		-	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		96,165,647	109,368,115

The accompanying notes 1 to 20 are an integral part of the statement of changes in equity for the year ended March 31, 2023.

AEDAS HOMES S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Euros)

	Issued capital (Note 10.a)	Share premium (Note 10.b)	Reserves (Notes 10.c, 10.d & 10.e)	(Own shares and equity holdings) (Note 10.f)	Retained earnings (prior-period losses)	Other shareholder contributions (Note 10.g)	Profit/(loss) for the year	(Interim dividend) (Note 10.h)	Other equity instruments (Note 10.i)	TOTAL
OPENING BALANCE AT APRIL 1, 2021	47,966,587	500,076,721	(307,095,363)	(65,075,384)	2,260,054	740,071,256	67,251,490	-	4,406,966	989,862,327
Total recognised income and expense	-	-	-	-	-	-	109,368,115	-	-	109,368,115
Distribution of prior-period profit	-	-	7,339,273	-	(2,260,054)	-	(67,251,490)	-	-	(62,172,271)
Transactions with shareholders	(1,160,050)	(21,542,219)	(72,087)	9,206,429	-	-	-	(36,153,300)	-	(49,721,227)
Capital reductions	(1,160,050)	(21,542,219)	(895)	22,702,269	-	-	-	-	-	(895)
Transactions with own shares and equity holdings (net)	-	-	(71,192)	(13,495,840)	-	-	-	-	-	(13,567,032)
Distribution of dividends	-	-	-	-	-	-	-	(36,153,300)	-	(36,153,300)
Other changes in equity	-	-	93,136	-	-	-	-	-	2,210,822	2,303,958
CLOSING BALANCE AT MARCH 31, 2022	46,806,537	478,534,502	(299,735,041)	(55,868,955)	-	740,071,256	109,368,115	(36,153,300)	6,617,788	989,640,902
Total recognised income and expense	-	-	-	-	-	-	96,165,647	-	-	96,165,647
Distribution of prior-period profit	-	-	-	-	14,057,168	-	(109,368,115)	36,153,300	-	(59,157,647)
Transactions with shareholders	-	-	(52,180)	(8,053,211)	-	-	-	(43,508,905)	-	(51,614,296)
Transactions with own shares and equity holdings (net)	-	-	(52,180)	(8,053,211)	-	-	-	-	-	(8,105,391)
Distribution of dividends	-	-	-	-	-	-	-	(43,508,905)	-	(43,508,905)
Other changes in equity	-	-	65,685	-	-	-	-	-	1,618,659	1,684,344
CLOSING BALANCE AT MARCH 31, 2023	46,806,537	478,534,502	(299,721,536)	(63,922,166)	14,057,168	740,071,256	96,165,647	(43,508,905)	8,236,447	976,718,950

The accompanying notes 1 to 20 are an integral part of the statement of changes in equity for the year ended March 31, 2023.

AEDAS HOMES S.A.

CASH FLOW STATEMENT FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022

(Euros)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		102,191,161	115,165,453
Adjustments to profit/(loss):		(98,130,814)	(111,832,913)
Depreciation and amortization charges	5 & 6	1,840,599	1,153,230
Valuation allowances for impairment losses		169,273	140,839
Change in provisions		4,771,762	3,376,980
Proceeds from disposals of fixed asset		7,634	-
Finance income	14.a	(106,720,054)	(120,097,187)
Finance costs	14.d	1,295,912	3,573,390
Change in fair value of financial instruments		504,060	19,835
Other cash flows from operating activities		131,832,656	128,490,303
Dividends received		131,804,941	102,000,000
Interest received		27,715	27,256,362
Interest paid		-	(766,059)
Changes in working capital:		12,452,328	(63,975,508)
Increase/(decrease) in trade receivables		20,715,193	(52,145,305)
Increase/(decrease) in trade payables		(8,111,813)	(12,264,924)
Increase/(decrease) in other current assets and liabilities		(144,886)	446,442
Increase/(decrease) in other non-current assets and liabilities		(6,166)	(11,721)
Net cash used in operating activities (1)		148,345,331	67,847,335
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(93,292,452)	(109,292,816)
Group companies and associates		(88,332,549)	(106,302,088)
Intangible assets		(2,600,332)	(1,925,203)
Property, plant and equipment	5	(1,855,511)	(1,065,525)
Other financial assets	6	(504,060)	-
Proceeds from sale of investments		12,577,826	309,087,232
Group companies and associates		12,577,826	304,107,067
Other financial assets		-	4,980,165
Net cash from/(used in) investing activities (2)		(80,714,626)	199,794,416
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments		(9,891,379)	(14,161,062)
Acquisition of own equity instruments		(9,891,379)	(14,161,062)
Proceeds from and repayment of financial liabilities		6,642,036	(95,660,033)
Issue of bonds and other marketable securities		154,129,606	35,078,975
Issue of debt with related parties		1,012,430	54,922,363
Repayment of bonds and other marketable securities		(148,500,000)	(53,700,000)
Repayment of debt with financial institutions		-	(131,466,371)
Repayment of debt with group companies and associates		-	(495,000)
Dividends and interest on other equity instruments paid		(102,666,552)	(98,325,571)
Dividends		(102,666,552)	(98,325,571)
Net cash from financing activities (3)		(105,915,895)	(208,146,666)
4. Effect of changes in exchange rates on cash and cash equivalents (4)		-	-
5. NET INCREASE IN CASH AND CASH EQUIVALENTS (1+2+3+4)		(38,285,190)	59,495,085
Cash and cash equivalents - opening balance		62,621,639	3,126,554
Cash and cash equivalents - ending balance		24,336,449	62,621,639

The accompanying notes 1 to 20 are an integral part of the statements of cash flows for the year ended March 31, 2023.

Aedas Homes, S.A.

Notes to the financial statements for the year ended March 31, 2023

1. **Core business**

Aedas Homes, S.A. (hereinafter, the Company) was incorporated as an open-ended sole-shareholder company on June 9, 2016 before Madrid notary public Mr. Carlos Entrena Palomero (protocol deed entry no. 955) under the name of SPV Spain 19, S.L.U. Its registered office is located in Madrid, on Paseo de la Castellana 130, postal code 28046.

The Company was incorporated as a result of the subscription and payment by Structured Finance Management (Spain), S.L. of 3,000 indivisible shares, numbered sequentially, with a unit par value of 1 euro. They were paid for in cash. In 2016, a letter of intent was signed between the then Sole Shareholder and the company domiciled in Luxembourg called Hipoteca 43 Lux, S.A.R.L. for the sale of 100% of the shares held by the former in SPV Spain 19, S.L. The sale of those shares closed on July 5, 2016.

The Company's name was changed to Aedas Homes Group, S.L.U. on July 18, 2016 (as witnessed by notary public Carlos Entrena Palomero, protocol entry no. 1228). The current name was taken in the wake of the corporate restructuring exercise.

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

The corporate purpose of Aedas Homes, S.A., in its capacity as Group Parent, is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.

The foregoing activities may also be performed in whole or in part on an indirect basis through ownership interests in other companies with similar corporate purposes. To that end, the Company may acquire, administer and sell securities of all kinds, including but not limited to, shares, convertible bonds and unitholdings of any kind. Thus, at March 31, 2023 and March 31, 2022, the Company is the parent company of a group of companies. The detail of the Company's subsidiaries has been included in Appendix I to these Financial Statements. Aedas Homes, S.A., and the subsidiaries detailed in Appendix I have prepared consolidated Financial Statements as of May 30, 2023, applying the International Financial Reporting Standards adopted by the European Union ("EU-IFRS").

On March 30, 2020, the Shareholders' Meeting of the Company, at the proposal of the Board of Directors, agreed to change the Company's fiscal year to the twelve-month period from April 1 to March 31 the following year, except for the first fiscal year, which would run from January 1, 2020 until March 31, 2020. Therefore, these financial statements relate to the twelve-month period from April 1, 2022 to March 31, 2023.

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

a) *Financial reporting framework applicable to the Company*

The accompanying financial statements for the year ended March 31, 2023 were authorised for issue by the directors in keeping with the financial reporting regulatory framework applicable to Company, namely:

- Spain's Code of Commerce and other company law.
- Spain's General Accounting Plan (enacted by means of Royal Decree 1514/2007), modified by the Royal Decree 1159/2010, of September 17, by the Royal Decree 602/2016 of December 2, and by the Royal Decree 1/2021, of January 12, and specifically, the accounting standards adapting the Plan for the real estate sector and its companies (published via Ministerial Order on December 28, 1994). Pursuant to Transitional Provision Five of Royal Decree 1514/2007 enacting the General Accounting Plan, as a general rule, the sector adaptations and other implementing accounting regulations in force on the date of publication of the said Royal Decree continue to apply insofar as they do not contradict the terms of the Code of Commerce, Corporate Enterprises Act (approved by Royal Decree-Law 1/2010, July 2nd), specific provisions or the General Accounting Plan itself.

- The binding rules issued by the ICAC (acronym of the Spanish of Institute of Accountants and Auditors) enacting the General Accounting Plan and complementary rules and regulations.
- Other applicable Spanish accounting regulations.

b) *True and fair view*

The accompanying financial statements were prepared by the Company's Directors in accordance with current accounting legislation to give a true and fair view of its equity, financial position and performance. The statement of cash flows has been prepared to provide an accurate picture of the origin and usage of the Company's monetary assets such as cash and cash equivalents.

c) *Functional and presentation currency*

The accompanying financial statements for the year ended March 31, 2023 are presented in euros, which is the Company's functional and presentation currency.

d) *Non-mandatory accounting policies applied*

The Company has not applied any non-mandatory accounting policies. Further, the Company's directors have drawn up the accompanying financial statements for year ended March 31, 2023 in accordance with all mandatory accounting principles and rules which have a material impact thereon. All mandatory accounting policies were applied.

e) *Critical issues concerning the measurement and estimation of uncertainty*

In preparing the accompanying financial statements, the Company's management used estimates to measure certain of the assets, liabilities, income and expenses recognised and to provide the breakdown of contingent liabilities. These estimates were made on the basis of the best available information at year-end. However, the uncertainty inherent in these estimates means that future events could oblige the directors to modify these estimates in the next financial year, prospectively if warranted. These estimates basically refer to:

- Assessment of the potential impairment of the Company's financial investments in Group companies and the accounts receivable from Group companies (Note 4.5).
- The probability of obtaining future taxable income when recognising deferred tax assets (Note 4.8).

In addition to other relevant information regarding the estimation of uncertainty at the reporting date, the key assumptions regarding the future that imply a considerable risk that the carrying amounts of assets and liabilities may require material adjustment in the next financial year, are as follows:

Impairment of the Company's financial investments in Group companies

Measurement of investments in Group companies requires estimations to determine their recoverable value to assess whether they are impaired. Unless better evidence is available, the recoverable amount is estimated on the basis of the equity of the investee, adjusted by any unrealised capital gains existing on the measurement date implicit in the appraisal of the real estate assets belonging to the Company's investees (Note 4.5).

The recoverable amount of the real estate properties held by the Group companies is estimated on the basis of appraisals performed by independent experts unrelated to the Group. The Group assessed the realizable value of its inventories at the reporting date, understanding said value to be their estimated selling price less all of the estimated costs necessary to complete their construction. The market value was determined on the basis of the valuation carried out by independent appraisers. Savills Aguirre Newman Valoraciones y Tasaciones, S.A. appraised the value of the real estate assets in the Group's asset portfolio as at March 31, 2023, and without taking supplier prepayments into consideration. The assets were appraised using the 'market value' assumption, in keeping with the Valuation - Professional Standards and Guidance notes published by Great Britain's Royal Institution of Chartered Surveyors (RICS) (see Note 7).

f) Comparative information

As required under Spanish company law, to facilitate the reader's comparative analysis, the Group discloses, in addition to the figures for March 31, 2023, those corresponding to March 31, 2022 for each of the items presented in the balance sheet and those corresponding to the year ended March 31, 2023 and the year ended March 31, 2022 for each of the items presented in the income statement, statement of changes in equity and statement of cash flows. The items for both financial years are comparable and homogeneous, except as indicated in Note 2 h) below.

A summary of the significant accounting policies applied is provided in Note 4.

g) Aggregation

Certain of the items presented on the balance sheet, income statement, statement of changes in equity and statement of cash flows are aggregated to facilitate reader comprehension. However, to the extent that the effect of so doing is significant, these items are disclosed separately in the accompanying notes.

h) Changes in accounting criteria

During the year ended March 31, 2023, no significant changes were made from the accounting criteria applied in the financial year ended March 31, 2022.

i) Fair value

This is the price that would be received on selling an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the date of valuation. Fair value is determined without deducting any transaction costs that might be incurred in connection with disposal in any other way. Under no circumstances shall fair value result from a compulsory or emergency transaction or from a situation of involuntary liquidation.

In general, fair value is calculated by reference to a reliable market value. For those items for which there is no active market, fair value shall be obtained, where appropriate, by applying valuation models and techniques.

In this way, a hierarchy of the variables used to determine fair value is established that allows the estimates to be classified in three levels:

- a) Level 1: estimates using unadjusted quoted prices in active markets for identical assets or liabilities that are available to the Company at the valuation date.
- b) Level 2: estimates using quoted prices in active markets for similar instruments or other valuation methodologies in which all significant variables are based on directly or indirectly observable market data.
- c) Level 3: estimates where some significant variable is not based on observable market data.

An estimate of fair value is classified in the same level of the fair value hierarchy as the lowest level input that is significant to the outcome of the measurement. For these purposes, a significant input is one that has a decisive influence on the outcome of the estimate. The assessment of the significance of a particular input to the estimate takes into account the specific terms and conditions of the asset or liability being measured.

3. Distribution of profit (loss)

At a meeting held on May 30, 2023, the directors proposed the following distribution of the result for the year ended March 31, 2023, a proposal expected to be ratified by the General Shareholders' Meeting:

Distribution Base:

Balance of the profit and loss account (Profit): 96,165,647 euros.

Allocation:

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

- i. 43,508,905 euros ("*Interim Dividend*") corresponding to an interim dividend out of the profit for the year ended March 31, 2023 equivalent to 1.00 euros per share for the number of shares that were not direct treasury shares on the corresponding date, as approved by the Board of Directors at the meeting held on March 23, 2023 in accordance with the accounting statement prepared and in accordance with the legal requirements, which evidenced the existence of sufficient liquidity for the distribution of such interim dividend out of the profit for the year ended March 31, 2023. The dividend was paid on March 31, 2023.
- ii. The amount resulting from multiplying 1.15 euros per share by the number of shares that are not direct treasury shares on the date specified, on which the registered holders entitled to the dividend ("*Complementary Dividend*") are to receive this. The aforementioned dividend will be paid to shareholders as of July 31, 2023.

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

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

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

Total allocated: 96,165,647 euros.

This proposal for the appropriation of the profit made by the Board of Directors for approval by the General Shareholders' Meeting includes the payment of a Complementary Dividend of 1.15 euros by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (Interim Dividend and Complementary Dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros.

4. Recognition and measurement standards

The main recognition and measurement rules used by the Company to draw up the accompanying financial statements in accordance with current accounting principles are the following:

4.1 *Intangible assets*

Intangible assets are initially measured at either acquisition or production cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition.

Following initial measurement, they are stated at cost less accumulated amortization and any impairment losses.

Intangible assets are amortised on a straight-line basis over their estimated useful lives and residual values. Amortization methods and periods are reviewed at the end of each reporting period, and adjusted prospectively where applicable. Intangible assets are tested for impairment at least at each financial year-end and any impairment is recognised.

Software

'Software' includes the costs incurred by the Company to acquire software from third parties. These expenses are amortised on a straight-line basis over the useful life of the asset (three years).

Expenses for repairs that do not extend the useful life of the assets, as well as maintenance expenses, are taken to the income statement in the year incurred.

4.2 Property, plant and equipment

Items of property, plant and equipment are initially recognised at either acquisition or production cost. The cost of property, plant and equipment acquired in a business combination is the fair value of the assets at the acquisition date.

Following initial recognition, they are carried at cost less accumulated depreciation and any impairment losses.

Expenses for repairs that do not extend the useful life of the assets, as well as maintenance expenses, are taken to the income statement in the year incurred. Expenses incurred to upgrade, expand or improve these assets that increase their productivity or extend their useful life are capitalised as an increase in the carrying amount of the item, while the carrying amount of any assets replaced is derecognised.

Once available for use, items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives.

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

	Annual depreciation rate
<i>Straight-line depreciation charge:</i>	
Buildings	14%
Other plant	20%
Furniture & fittings	10%
Computer equipment	25%
Other items of PP&E	20%

4.3 Impairment of non-financial assets

The Company assesses whether there is any indication that a non-current asset or cash-generating unit may be impaired at least at each reporting date. If there is, it proceeds to estimate the asset's recoverable amount.

The recoverable amount is the fair value less costs to sell or value in use, whichever is higher. When the carrying amount exceeds the recoverable amount, the asset is considered impaired. Value in use is the present value of expected future cash flows, discounted using risk-free market rates, adjusted for the risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of the inflows of other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which the assets belong, such cash-generating units being understood to mean the smallest identifiable group of assets that generates cash inflows that are largely independent of the inflows of other assets or groups of assets.

Impairment losses and any subsequent reversals are recognised in the income statement. Impairment losses are reversed only if the circumstances giving rise to them have ceased to exist. Goodwill impairment losses are not reversed. Any such reversal is limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset.

4.4 Leases

Leases are classified as finance leases when, based on the economic terms of the arrangement, substantially all the risks and rewards incidental to ownership of the leased item are transferred to the lessee. All other lease arrangements are classified as operating leases.

Operating lease payments are expensed in the income statement as they accrue.

4.5 Financial instruments

Financial assets

The Company's financial assets are classified into the following categories:

- a) Financial assets at amortised cost: financial assets, including those admitted to trading on an organised market, for which the Company holds the investment for the purpose of receiving cash flows by performing the contract, and the contractual terms of the asset give rise, at specified dates, to cash flows consisting solely of principal and interest collected on the outstanding principal.

In general, this category includes:

- i) Trade receivables: arising from the sale of goods or the provision of services in connection with trade transactions with deferred collection, and
 - ii) Receivables from non-trade operations: these derive from loans or credits granted by the Company, the proceeds of which are determined or determinable.
- b) Financial assets at cost: the following investments, if any, are included in this category: a) equity instruments of Group companies, jointly controlled entities and associates; b) equity instruments whose fair value cannot be reliably determined, and derivatives that have these investments as their underlying; c) hybrid financial assets whose fair value cannot be reliably estimated, unless the requirements for recognition at amortised cost are met; d) contributions made in joint ventures and similar contracts; e) participation loans with contingent interest; f) financial assets that should be classified in the following category but whose fair value cannot be reliably estimated.

Group companies are considered to be those over which the Company exercises control, and associates are those over which the Company exercises significant influence. In addition, jointly-controlled entities include, where applicable, companies over which, by virtue of an agreement, joint control is exercised with one or more other shareholders.

Financial assets are generally recognised initially at the fair value of the consideration given plus directly attributable transaction costs. However, transaction costs directly attributable to assets carried at fair value through profit or loss are recognised in the income statement for the year.

Likewise, in the case of investments in the equity of Group companies that result in controlling the subsidiary, the fees paid to legal advisors or other professionals related to the acquisition of the investment are charged directly to the income statement.

Financial assets at amortised cost are recognised at amortised cost by applying the effective interest rate method to the profit and loss account.

Investments in Group companies, associates and jointly controlled entities are measured at cost less any accumulated impairment losses. These corrections are calculated as the difference between the carrying amount and the recoverable amount, understood as either fair value less costs of sale or the present value of future cash flows from the investment, whichever is higher. Unless there is better evidence of the recoverable amount of investments in equity instruments, the equity of the investee is taken into account, adjusted by any unrealised gains existing at the valuation date, net of the tax effect (Note 7).

The recoverable amount of the real estate properties held by the Group companies is estimated on the basis of appraisals performed by independent experts unrelated to the Group. Those appraisals calculate fair value primarily using the discounted cash flow method or the dynamic residual method for the properties owned by its investees, 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).

The Company holds majority interests in certain companies. The accompanying financial statements are the Company's separate financial statements and are not presented on a consolidated basis with those of the entities in which it has a majority interest.

The Company tests its financial investments in Group companies for impairment at least at each year-end. If the recoverable amount of a financial asset is lower than its carrying amount this is deemed objective evidence of impairment and the corresponding impairment loss is recognised on the income statement.

With regard to valuation adjustments relating to financial assets at amortised cost, the criterion used by the Company to calculate the corresponding valuation adjustments, if any, is based on a specific analysis for each debtor on the basis of the debtor's solvency. At the close of the financial year, there were no debtor balances with a risk of default that had not been impaired.

The Company derecognises a financial asset, or a part of a financial asset, when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred. The transfer of risks and rewards are assessed by comparing the company's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The company transfer substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset.

The gain or loss on derecognition of the financial asset is determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset. The gain or loss is recognised in profit or loss for the reporting period in which it arises.

Financial liabilities

Financial liabilities assumed or incurred by the Company are classified into the following valuation categories:

- Financial liabilities at amortised cost: these are the Company's debts and payables arising from the purchase of goods and services in the ordinary course of the Company's business, or those arising from loans or credit facilities received by the Company that do not have a commercial origin and are not derivative instruments. These liabilities are initially measured at the fair value of the consideration received, adjusted for directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

Assets and liabilities are shown separately on the balance sheet and are only shown at their net amount when the company has the enforceable right to offset the amounts recognised and, in addition, intends to settle the amounts on a net basis or to realise the asset and settle the liability simultaneously.

In accordance with the applicable accounting principles, in addition to those obligations maturing or expiring in the short term, obligations related to the normal operating cycle that the company expects to settle during the course thereof, irrespective of their due date, are recorded as current liabilities, "normal operating cycle" being understood to be the period between the acquisition of the assets to be incorporated into the business and their realisation in cash or cash equivalents. In the specific case of the Company's business, it is therefore understood that all liabilities relating to the acquisition or financing of inventories are recorded as current liabilities.

The Company derecognizes its financial liabilities when the related obligation is discharged or cancelled or expires.

Loans received from related parties are recognised as financial liabilities at amortised cost so long as the contractual terms of the loans enable the reliable estimation of the cash flows of the financial instrument, to which end the Company calculates their fair value at the time they are granted using a market interest rate for a loan with similar characteristics; subsequent to initial recognition, the interest expense is accrued using the effective interest rate method.

Derivatives are recognised at their fair value and changes in said fair value are taken to the income statement.

Own shares

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

4.6 Cash and cash equivalents

The Company recognizes cash, demand deposits and other highly liquid short-term investments that can be monetised within three months of their acquisition, are not subject to a risk of changes in value and are part of the Company's standard cash management strategy within "Cash and cash equivalents" on the short-form balance sheet.

For cash flow statement purposes, occasional bank overdrafts used as part of the Company's cash management strategy are recognised as a decrease in cash and cash equivalents.

4.7 Provisions and contingencies

In drawing up its annual financial statements, the Company's directors distinguish between:

- a. *Provisions*: liabilities recognised to cover a present obligation arising from past events, of uncertain timing and/or amount, the settlement of which is expected to result in an outflow of resources embodying economic benefits.
- b. *Contingent liabilities*: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

The financial statements recognize all provisions in respect of which it is considered more likely than not that a present obligation exists. Contingent liabilities are not recognised in the financial statements, but are disclosed in the accompanying notes, unless the possibility of an outflow of resources embodying economic benefits is considered remote.

Provisions are measured at the present value of the best estimate of the expenditure required to settle or transfer the present obligation based on information available concerning the obligating event and its consequences; changes in the provision's carrying amount arising from discounting are recognised as finance cost as accrued.

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

4.8 Income tax

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

Current tax is the amount of income taxes payable (recoverable) by the Company in respect of the taxable profit (tax loss) for the year. In addition to withholdings and payments on account, current tax is reduced by the application of unused tax credits and unused tax losses.

Deferred tax expense or income corresponds to the recognition and derecognition of deferred tax assets and liabilities. These include taxable and deductible temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base, and the carryforward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affect neither accounting profit nor taxable profit.

Deferred tax assets are only recognised when the Company considers it probable that future taxable profit will be available against which these assets may be utilised within the foreseeable future, even if the legally-stipulated time limit for utilising them is longer.

Deferred tax assets and liabilities relating to transactions charged or credited directly to equity are also recognised in equity.

At each year-end, management reassesses the deferred tax assets recognised and their carrying amount is reduced if there are any doubts about their recoverability. Similarly, at the end of each reporting period, management reassesses unrecognised deferred tax assets, recognising a previously unrecognised deferred tax asset to the extent that it has become probable that taxable profit will be available against which the asset can be utilised.

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

4.9 Distinction between current and non-current

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

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

4.10 Income and expenses

Revenues and expenses are recorded when the actual flow of goods or services they represent occurs, irrespective of when the resulting monetary or financial flow arises.

Revenue from the sale of goods and the rendering of services is measured at the monetary amount received or, where appropriate, at the fair value of the consideration received or expected to be received, which, unless there is evidence to the contrary, is the agreed price less any discounts, taxes and interest included in the face value of the receivables. The best estimate of the variable consideration will be included in the valuation of the revenues when its reversal is not considered highly probable.

Revenue recognised over time for goods or services for which control is not transferred at a point in time is measured by reference to the stage of completion at the balance sheet date, provided that reliable information is available to measure the stage of completion. If it is not, revenue is recognised only to the extent of costs incurred that are reasonably expected to be recovered in the future.

The Company provides administrative management and promotional services to the group, recognising income according to the stage of completion of the service provision.

Revenue from commitments that are performed at a given point in time is recognised at that date, with the costs incurred up to that point in the production of the goods or services being recorded as inventories.

Income from interest on financial assets is recognised using the effective interest rate method; dividends are recognised when the shareholder's right to receive them is established. Interest and dividend income accrued on financial assets after their date of acquisition is recognised as revenue in the income statement.

4.11 Foreign currency transactions

The Company's functional currency is the euro. As a result, transactions denominated in currencies other than the euro are considered foreign currency transactions and are recognised at the exchange rate prevailing on the transaction date.

At year-end, monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the balance sheet date. Any resulting gains or losses are recognised directly in profit or loss in the year incurred.

The Company did not transact in foreign currency during the year ended March 31, 2023; nor did it have any resulting foreign currency balances at the reporting date (nor in the prior period), that are significant.

4.12 Business combinations

The Group companies must account for the business combinations to which they are party. Business combinations are transactions in which an entity acquires control of one or more businesses.

In business combinations involving either the merger or division of several companies, or the acquisition of all of the assets and liabilities of a company or a part of a company constituting one or more businesses, the acquisition method outlined in item 2 of measurement standard 19 of the General Accounting Plan is applied. This method stipulates that the acquirer recognize, at the acquisition date, the assets acquired and liabilities assumed in the business combination at their fair values, additionally recognising any difference between the value of said assets and liabilities and the cost of the business combination. That difference is calculated as the sum of: i) the acquisition-date fair values of the assets received, liabilities incurred or assumed and the equity instruments issued in exchange for the business or businesses acquired; and ii) the fair value of any additional consideration that depends on future events or delivery of certain conditions, provided that it is deemed probable that such contingent consideration will become payable.

Elsewhere, transactions involving mergers, divisions or non-monetary business contributions between group companies, as defined in the standard governing the measurement of intra-group transactions, are accounted for in accordance with that standard. Specifically, in transactions between group companies involving the parent, either directly or indirectly, the assets and liabilities constituting the business acquired are measured at the amount at which they would be recorded, *pro forma* for the transaction, in the consolidated annual financial statements of the group in accordance with the rules for drawing up such statements stipulated in Spain's Code of Commerce. In the case of transactions between other group companies, the assets and liabilities of the business are measured at the amounts at which they were carried in the separate annual financial statements prior to the transaction. Any difference arising from application of the above criteria is recognized within one of the Company's reserve headings.

In business combinations involving the acquisition of the shares of a company, including those received by virtue of a non-monetary contribution upon the incorporation of the company or subsequently in the course of a rights issue, or other transactions or developments the result of which is that a company obtains control over another company, whether or not it already held an equity interest in that company, the investing company must account for the investment in the equity of other group companies in its separate annual financial statements in accordance with the rules established in section 2.4 of the General Accounting Plan measurement standard addressing financial instruments.

4.13 Director and key management personnel remuneration

The remuneration earned by the Company's key management personnel (refer to Note 17) is recognised on an accrual basis such that the Company recognizes the corresponding provision at each reporting date in respect of any amounts that have not yet been paid.

4.14 Environmental assets and liabilities

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

Given the activities performed by the Company, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be material in respect of its equity, financial position or performance. Environmental disclosures are accordingly not provided in these annual financial statements.

4.15 Related-party transactions

The Company carries out all transactions with related parties (whether financial, commercial or other in nature) at transfer prices that meet the OECD's rules governing transactions with Group companies and associates. The Company has duly met its documentation requirements in respect of these transfer prices so that its directors believe there is no significant risk of related liabilities of material amount. Nevertheless, the accompanying financial statements for the year ended March 31, 2023, should be interpreted in the context of the Group to which the Company belongs (Note 1).

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

Related-party transactions are governed by Measurement Standard No. 13 of Spain's General Accounting Plan. Specifically:

- A company is deemed part of the group when both entities are bound by a direct or indirect controlling relationship, equivalent to that defined in article 42 of Spain's Code of Commerce, or when the entities are controlled by any means by one of more legal persons acting jointly or under shared management by contractual or bylaw-stipulated agreement.
- An entity is considered an associate when, without qualifying as a group company in the sense outlined above, the parent company or parent natural persons exercise significant influence over the entity.
- One party is considered related to the other when one of them exercises or has the power to exercise, directly or indirectly or by virtue of shareholder agreements, control over the other or can significantly influence the financial and operating decision-making of the other.

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

The Company conducts all related-party transactions on an arm's length basis.

4.16 Classification of certain items of income in holding companies

In preparing the accompanying income statement, the directors of Aedas Homes, S.A., whose business activities include those of a holding company (Note 1), have considered the response provided by Spanish Institute of Accountants and Auditors (ICAC for its acronym in Spanish) to the consultation published in the official journal of the ICAC (# 79, November 2009) regarding how to account for the revenue and expenses of a holding company in separate financial statements and how to determine revenue for this class of entity, interpretation included in the Resolution of February 10, 2021 of said Institute, which establishes rules for the recognition of revenue from the delivery of goods and services in the recording, valuation and preparation of financial statements.

As outlined in the above consultation, all of the revenue obtained by a company as a result of its 'financial' activity, insofar as that activity is considered 'ordinary', must be included within "Revenue". As a result, in keeping with the foregoing, both the dividends and any gains obtained from the sale of shares, their derecognition or a change in their fair values are deemed part of "Revenue".

Below is an explanation of the headings that have accordingly been included within "Revenue":

- Income from equity investments: including the dividends accrued from holding shares in other companies.

- Changes in the fair value of financial instruments, other than investments constituting investments in subsidiaries, jointly controlled entities or associates.
- Gains on the disposal of financial instruments, other than those deriving from the derecognition of investments in subsidiaries, jointly controlled entities or associates.
- Finance income from loans granted to subsidiaries.

In addition, any impairment losses on financial instruments and any losses realised on the sale of such instruments, other than those deriving from the derecognition of investments in subsidiaries, jointly controlled entities or associates, are included within the Company's operating profit or loss.

The gains or losses deriving from the disposal of financial instruments that do constitute investments in subsidiaries and associates are included within operating profit or loss.

4.17 Redundancy payments

Under prevailing company law, the Company is obliged to pay severance to employees who are discontinued under certain circumstances. Redundancy payments that can be reasonably estimated are recognised as an expense in the year in which the Company creates a valid expectation on the part of those affected by the redundancy decision.

4.18 Share-based payments

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

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

5. Intangible assets

The reconciliation of the carrying amount of intangible assets at the beginning and end of the year ended March 31, 2023 is as follows:

Year ended March 31, 2023	Euros		
	Software	Advances for intangible assets	Total
Cost:			
Balance at April 1, 2022	4,363,657	244,489	4,608,146
Additions	2,156,773	443,559	2,600,332
Derecognitions	-	-	-
Reclassifications	-	-	-
Balance at March 31, 2023	6,520,430	688,048	7,208,478
Accumulated amortization:			
Balance at April 1, 2022	(2,068,740)	-	(2,068,740)
Charges	(1,312,408)	-	(1,312,408)
Derecognitions	-	-	-
Balance at March 31, 2023	(3,381,148)	-	(3,381,148)
Carrying amount at March 31, 2023	3,139,282	688,048	3,827,330

The reconciliation of the carrying amount of intangible assets at the beginning and end of the year ended March 31, 2022 is shown below:

Year ended March 31, 2022	Euros		
	Software	Advances for intangible assets	Total
Cost:			
Balance at April 1, 2021	2,651,480	31,463	2,682,943
Additions	1,161,379	786,864	1,948,243
Derecognitions	(11,520)	(11,520)	(23,040)
Reclassifications	562,318	(562,318)	-
Balance at March 31, 2022	4,363,657	244,489	4,608,146
Accumulated amortization:			
Balance at April 1, 2021	(1,196,727)	-	(1,196,727)
Charges	(872,013)	-	(872,013)
Derecognitions	-	-	-
Balance at March 31, 2022	(2,068,740)	-	(2,068,740)
Carrying amount at March 31, 2022	2,294,917	244,489	2,539,406

The main additions recognised in the years ended March 31, 2023 and March 31, 2022 are related to the outsourced development of computer applications in order to accelerate and increase the efficiency and improvement of administrative and business processes. The amounts stated under "Advances for intangible assets" correspond to investments in the development of applications currently being carried out.

No items of intangible assets had been pledged as collateral at either March 31, 2023 or March 31, 2022.

As of March 31, 2023 there are fully amortised intangible assets and still in use for a total amount of 1,709,088 euros (620,897 euros as of March 31, 2022).

6. Property, plant and equipment

The reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the year ended March 31, 2023 is as follows:

Year ended March 31, 2023	Euros						Total
	Buildings	Other plant	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	
Cost:							
Balance at April 1, 2022	983,875	76,943	414,885	714,524	109,717	547,131	2,847,075
Additions	976,913	11,000	69,067	105,173	8,319	734,893	1,905,365
Derecognitions	(38,530)	(14,573)	(9,123)	(23,058)	(1,321)	-	(86,605)
Reclassifications	526,500	-	-	-	-	(526,500)	-
Balance at March 31, 2023	2,448,758	73,370	474,829	796,639	116,715	755,524	4,665,835
Accumulated depreciation:							
Balance at April 1, 2022	(394,992)	(54,408)	(137,069)	(551,618)	(72,455)	-	(1,210,542)
Charges	(377,598)	(8,699)	(43,514)	(80,084)	(18,296)	-	(528,191)
Derecognitions	-	11,656	-	16,398	1,065	-	29,119
Balance at March 31, 2023	(772,591)	(51,451)	(180,583)	(615,304)	(89,686)	-	(1,709,615)
Carrying amount at March 31, 2023	1,676,167	21,919	294,246	181,335	27,029	755,524	2,956,220

The reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the year ended March 31, 2022 is shown below:

Year ended March 31, 2022	Euros						Total
	Buildings	Other plant	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	
Cost:							
Balance at April 1, 2021	613,315	72,627	333,564	632,534	107,336	22,174	1,781,550
Additions	176,713	4,316	77,047	84,371	-	723,078	1,065,525
Derecognitions	-	-	-	-	-	-	-
Reclassifications	193,847	-	4,274	(2,381)	2,381	(198,121)	-
Balance at March 31, 2022	983,875	76,943	414,885	714,524	109,717	547,131	2,847,075
Accumulated depreciation:							
Balance at April 1, 2021	(283,933)	(41,882)	(101,068)	(450,708)	(51,734)	-	(929,325)
Charges	(111,059)	(12,526)	(36,001)	(100,910)	(20,721)	-	(281,217)
Derecognitions	-	-	-	-	-	-	-
Balance at March 31, 2022	(394,992)	(54,408)	(137,069)	(551,618)	(72,455)	-	(1,210,542)
Carrying amount at March 31, 2022	588,883	22,535	277,816	162,906	37,262	547,131	1,636,533

The main additions recognised in the years ended March 31, 2023 and March 31, 2022 relate to the purchase of computer equipment and capital expenditure on the new office facilities.

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

As of March 31, 2023, there are property, plant and equipment elements fully depreciated and still in use for a total amount of 780,944 euros (504,622 euros as of March 31, 2022).

Operating leases

The future minimum payments under the Company's non-cancellable operating lease, of offices and vehicles, at the end of each period break down as follows:

	Euros	
	March 31, 2023	March 31, 2022
Within one year	1,566,314	637,607
Between one and five years	2,655,647	927,159
More than five years	5,199	13,801
	4,227,160	1,578,567

7. Equity investments in group companies, jointly-controlled entities and associates

The breakdown of the Company's "Non-current investments in Group companies and associates" is provided in the table below:

	Euros	
	March 31, 2023	March 31, 2022
Equity interest in AEDAS HOMES OPCO, S.L.U.	200,287,835	198,645,519
Equity interest in AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	4,574,105	4,574,105
Equity interest in LIVE VIRTUAL TOURS. S.L.U	319,007	140,839
Impairment of equity interest in LIVE VIRTUAL TOURS. S.L.U	(310,112)	(140,839)
	204,870,835	203,219,624

The balance and movement in "Non-current investments in Group companies and associates" during the year ended March 31, 2023 is as follows:

	Euros				Balance on March 31, 2023
	Balance on March 31, 2022	Purchase	Contributions	(Impairment) /Reversions	
AEDAS HOMES OPCO, S.L.U.	198,645,519	-	1,642,316	-	200,287,835
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	4,574,105	-	-	-	4,574,105
LIVE VIRTUAL TOURS. S.L.U.	-	-	178,168	(169,273)	8,895
Long-term holdings in group and associated companies	203,219,624	-	1,820,484	(169,273)	204,870,835

The description of the main movements during the year ended March 31, 2023 is as follows:

- On November 24, 2022, the Company contributed to AEDAS HOMES OPCO, S.L.U. a credit right in the amount of 1,642,316 euros, which it held by virtue of the "assignment of the business premises lease agreement" dated September 3, 2021, entered into between Inmobiliaria Colonial, SOCIMI, S.A. and AEDAS HOMES OPCO, S.L.U.

The balance and movement in "Non-current investments in Group companies and associates" during the year ended March 31, 2022 is as follows:

	Euros				
	Balance on March 31, 2021	Purchase	Contributions	(Impairment) /Reversions	Balance on March 31, 2022
AEDAS HOMES OPCO, S.L.U.	198,645,519	-	-	-	198,645,519
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	383,429	4,190,676	-	4,574,105
LIVE VIRTUAL TOURS, S.L.U.	-	140,839	-	(140,839)	-
Long-term holdings in group and associated companies	198,645,519	524,268	4,190,676	(140,839)	203,219,624

During the year ended March 31, 2022 there have been the following movements under this heading:

- On November 17, 2021, AEDAS HOMES OPCO, S.L.U. transferred 100% ownership interest in AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (formerly known as ESPEBE 11, S.L.) to the Company, for a purchase price of 383,429 euros. The latter will hereinafter be the entity that provides real estate management services within the AEDAS HOMES Group, with and without co-investment.
- On December 15, 2021, the Company acquired 100% ownership interest in VIRTUAL TOURS, S.L.U. from AEDAS HOMES OPCO, S.L.U., for a purchase price of 140,839 euros.

The most significant information regarding the Company's subsidiaries, jointly-controlled entities and associates at March 31, 2023 and March 31, 2022 is as follows:

March 31, 2023

		Euros									
		Figures for subsidiary as per its separate statements							Carrying amount		
Name	Ownership interest, %	Share capital	Share premium and reserves	Profit/(loss) for the period from continuing operations	Prior periods' losses	Shareholder contributions	Interim dividend	Equity	Cost	Impairment	Net carrying amount
AEDAS HOMES OPCO, S.L.U.	100%	44,807,030	78,936,520	82,300,227	-	63,175,332	(73,400,000)	195,819,109	200,287,835	-	200,287,835
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	100%	3,000	600	1,214,019	-	4,190,676	(900,000)	4,508,295	4,574,105	-	4,574,105
LIVE VIRTUAL TOURS, S.L.U.	100%	3,000	258	(147,194)	(163,174)	316,005	-	8,895	319,007	(310,112)	8,895
									205,180,947	(310,112)	204,870,835

March 31, 2022

		Euros									
		Figures for subsidiary as per its separate statements							Carrying amount		
Name	Ownership interest, %	Share capital	Share premium and reserves	Profit/(loss) for the period from continuing operations	Prior periods' losses	Shareholder contributions	Interim dividend	Equity	Cost	Impairment	Net carrying amount
AEDAS HOMES OPCO, S.L.U.	100%	44,807,030	81,178,499	85,836,749	-	61,533,015	(80,600,000)	192,755,293	198,645,519	-	198,645,519
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (formerly known as ESPEBE 11, S.L.U.)	100%	3,000	426,445	2,329,322	(101,524)	4,190,676	-	6,847,919	4,574,105	-	4,574,105
LIVE VIRTUAL TOURS, S.L.U.	100%	3,000	259	(86,827)	(76,347)	137,839	-	(22,076)	140,839	(140,839)	-
									203,360,463	(140,839)	203,219,624

The data pertaining to these companies equity position was taken from their annual accounts, which in the case of AEDAS HOMES OPCO, S.L.U. are audited (by ERNST & YOUNG, S.L.). These financial statements are issued in

accordance with local regulations. The Company carries out various transactions with its subsidiaries and associates, as itemised in this Note and in Note 16.

The corporate object of the Company's subsidiaries is shown in Appendix I.

These companies were not publicly listed at March 31, 2023 and March 31, 2022.

In light of the property appraisals performed by third parties and the Company's internal valuations, the existence of unrealised capital gains suggests that the investment in the company AEDAS HOMES OPCO, S.L.U. was not impaired at March 31, 2023. Specifically, the valuation of the inventories carried out by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. as at March 31, 2023, and without taking supplier prepayments into consideration, reflects a Gross Asset Value amounting to 2,088 million euros, which implies a capital gain of 492 million euros at March 31, 2023 (at the end of the previous year, the valuation of inventories as at March 31, 2022 reflected a Gross Asset Value amounting to 2,075 million euros, implying a capital gain of 551 million euros).

Through a number of resolutions made on various dates by the sole shareholder (the Company) of dependent company Aedas Homes Opco, S.L.U., it was resolved to pay the Company an additional dividend (final dividend) of 4,251,297 euros drawn from the profit of the financial year ended March 31, 2022 (resolution of June 7, 2022), an interim dividend of 23,400,000 euros drawn from the profit the dependent company earned in the financial year ended March 31, 2023 (resolution of March 10, 2023) and an additional sum of 50,000,000 euros in interim dividends drawn from the profit the dependent company earned in the financial year ended March 31, 2023 (resolution of March 30, 2023).

Furthermore, through a number of resolutions made on different dates by the sole shareholder (the Company) of dependent company Aedas Homes Servicios Inmobiliarios, S.L.U., it was resolved to pay the Company an interim dividend of 2,227,798 euros drawn from the profit of the financial year ended March 31, 2022 (resolution of June 27, 2022) and a dividend of 425,846 euros charged to the dependent company's voluntary reserves, plus 900,000 euros in interim dividends drawn from the profit the dependent company earned in the financial year ended March 31, 2023 (resolution of March 10, 2023).

On February 24, 2022 the Board of Directors of the subsidiary AEDAS HOMES OPCO, S.L.U., adopted a resolution to distribute to its Sole Shareholder (the Company) an interim dividend for an amount of 46,000,000 euros on the profits obtained by the subsidiary in the year ended March 31, 2022. Additionally, by agreement of the Company dated March 29, 2022, it approves the distribution of an additional interim dividend for an amount of 34,600,000 euros on the profits obtained by the subsidiary in the year ended March 31, 2022, as well as a dividend with a charge to unrestricted reserves (share premium) of said subsidiary, for an amount of 16,000,000 euros.

These financial statements for the year ended March 31, 2023 are the separate financial statements of Aedas Homes, S.A. and therefore do not reflect the effects of consolidation at the Group level. The table below summarizes those statements:

Year ended March 31, 2023

	Euros	
	Aedas Homes, S.A.	Group IFRS-EU
Non-current assets	218,311,321	42,674,526
Current assets	870,143,776	1,926,284,542
Total assets	1,088,455,097	1,968,959,068
Capital, reserves, shareholder contributions and other equity instruments	880,553,303	864,030,022
Profit/(loss)	96,165,647	105,071,928
Equity attributable to equity holders of the parent	976,718,950	969,101,950
Non-controlling interests	-	541,939
Total equity	976,718,950	969,643,889
Non-current liabilities	2,508,952	322,020,062
Current liabilities	109,227,195	677,295,117
Total equity and liabilities	1,088,455,097	1,968,959,068

Year ended March 31, 2022

	Euros	
	Aedas Homes, S.A.	Group IFRS-EU
Non-current assets	859,570,751	44,793,569
Current assets	214,039,527	1,853,914,351
Total assets	1,073,610,278	1,898,707,920
Capital, reserves, shareholder contributions and other equity instruments	880,272,787	882,796,855
Profit/(loss)	109,368,115	93,125,034
Equity attributable to equity holders of the parent	989,640,902	975,921,889
Non-controlling interests	-	411,296
Total equity	989,640,902	976,333,185
Non-current liabilities	13,454	318,872,725
Current liabilities	83,955,922	603,502,010
Total equity and liabilities	1,073,610,278	1,898,707,920

8. Financial assets

The breakdown of financial assets at year-end, excluding investments in group companies, jointly controlled entities and associates, which are discussed in Note 7, is as follows:

	Euros	
	March 31, 2023	March 31, 2022
Non-current financial assets (at amortised cost)		
Loans to group companies and associates (Note 16)	4,561,099	650,490,182
Non-current financial investments	34,558	28,392
Total non-current financial assets	4,595,657	650,518,574
Current financial assets (at amortised cost)		
Trade receivables	1,604	146
Trade receivables, group companies and associates (Note 16)	53,882,146	51,462,173
Sundry receivables	28,742	22,964
Personnel	1,359	-
Current loans to group companies and associates (Note 16)	750,836,598	6,771,595
Other financial assets, group companies and associates (Note 16)	38,220,031	92,733,080
Current financial assets	71,116	216,054
Total current financial assets	843,041,596	151,206,012

9. Cash and cash equivalents

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

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

This heading breaks down as follows at the end of each period:

	Euros	
	March 31, 2023	March 31, 2022
Cash	19,336,449	42,713,757
Cash equivalents	5,000,000	19,907,882
Total	24,336,449	62,621,639

Current accounts and other equivalent liquid assets earn market interest rates.

The amount pledged at March 31, 2023 to guarantee surety insurance provided to customers of Group companies amounted to 1,499,940 euros (1,495,014 euros at March 31, 2022).

There are no restrictions on the availability of these balances except as indicated in the previous paragraph.

10. **Equity – capital and reserves**

a) Issued capital

At March 31, 2023, the Company's share capital accordingly consisted of 46,806,537 shares with a par value of one euro each (46,806,537 shares with a par value of one euro each at March 31, 2022). The shares are fully subscribed and paid-up.

On July 27, 2021, the Company reduced its share capital by 1,160,050 euros by cancelling 1,160,050 own shares (unit par value: 1 euro), which represented approximately 2.418% of the Company's share capital at the time.

None of the Company's shares was pledged as of either March 31, 2023 or March 31, 2022.

The breakdown of the Company's significant shareholders (those with equity interests of 3% or more) at March 31, 2023, obtained from the information reported to Spain's securities market regulator, the CNMV, by the shareholders themselves, is as follows:

	Total shareholding %	% Voting rights attached to shares		% Voting rights through financial instruments
		Direct shareholding %	Indirect shareholding %	
HIPOTECA 43 LUX S.A.R.L.	71.52	71.52	-	-
T. ROWE PRICE ASSOCIATES, INC	5.05	-	5.05	-
HELIKON LONG SHORT EQUITY FUND MASTER ICAV	3.13	0.31	-	2.82

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

	Total shareholding %	% Voting rights attached to shares		% Voting rights through financial instruments
		Direct shareholding %	Indirect shareholding %	
HIPOTECA 43 LUX S.A.R.L.	71.52	71.52	-	-
T. ROWE PRICE ASSOCIATES, INC	5.05	-	5.05	-
T. ROWE PRICE INTERNATIONAL FUNDS, INC.	3.51	-	2.51	1.00

b) Share premium

The share premium account amounted to 478,534,502 euros at March 31, 2023 (478,534,502 euros at March 31, 2022).

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

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

c) Legal reserve

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

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

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

As of March 31, 2023 and March 31, 2022, the Company's legal reserve amounted to 9,593,317 euros, having exceeded the legal minimum of 20% of capital stock as a result of the capital reduction described in Note 10.a).

d) Voluntary reserves

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

The movements in the financial year ended 31 March 2023 are primarily the result of treasury share purchases and sales, which are reported in section f) (a 52,180-euro debit balance), and the impact on reserves resulting from the delivery of shares in the Company to Aedas employees as promised in the incentive plans described in section i) (a 65,685-euro credit balance).

The movement under this heading during the year ended March 31, 2022 relates mainly to the appropriation of profit for the year ended 31 March 2021, in the amount of 1,307,174 euros, of which 325,602 euros correspond to undistributed dividends corresponding to the own shares acquired between the date of the resolution and effective payment, as outlined in section h) below. It was also shaped by the purchase and sale of own shares (refer to section f) below) in the amount of 71,192 euros, by the registration of invoices related to the capital reduction described in section a) for an amount of 895 euros and an impact amounting to 93,136 euros on reserves of the delivery of company shares to AEDAS employees, framed by the commitments assumed in the incentive plan described in section i) below.

e) Capitalisation reserve

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

At March 31, 2023, the Company had recognised a capitalisation reserve of 893,761 euros (March 31, 2022: same amount).

The requirement of maintaining the increase in shareholders' equity was fulfilled as at March 31, 2023, and March 31, 2022.

f) Own shares

The Board of Directors of the Company, in the meeting held on July 25, 2019, agreed to buy back shares, initially in the form of a discretionary program. Subsequently, in the meeting held on September 25, 2019, resolved to purchase Company shares (Buy-Back Program) for a maximum net investment of 50,000,000 euros and until reaching 2,500,000 shares in treasury stock. Said Buy Back Program will remain in effect for a maximum period of 36 months and will be implemented by JB Capital Markets, S.V., S.A.U.

On February 25, 2020, the Board of Directors approved increasing the limit of the share buyback programme from 50 to 150 million euros, while maintaining the other conditions approved by the Board on September 25, 2019.

On July 12, 2022, the Company decided to renew the share buyback program by modifying the limit of the share buyback program to 50 million euros, applicable to share acquisitions from the entry into force of this renewal. The effects of this new buyback program began on September 27, 2022, after the end of the buyback program in force prior to that date.

Since August 8, 2019, the Company has bought back 4,582,705 shares representing 9.79% of its capital at an average price of 19.42 euros per share for a total amount of 89,003,557 euros, of which: 148,724 shares (0.32% of capital) were purchased under the Discretionary Programme at an average price of 20.31 euros per share for a total amount of 3,019,990 euros; 2,107,506 shares (4.5%) were bought back under the Repurchase Programme at an average price of 19.59 euros per share for a total amount of 41,293,305 euros; and 2,326,475 shares (4.97%) were bought back via block trades at an average price of 19.21 euros per share for a total amount of 44,690,263 euros.

In June 2021, the Company delivered 30,090 own shares to its employees as part of the commitments assumed under the First Cycle of the first long-term incentive plan described in section i). Those shares were acquired for 593,134 euros.

On July 27, 2021, the Company reduced its share capital by 1,160,050 euros by cancelling 1,160,050 own shares (unit par value: 1 euro) which it had purchased for 22,702,269 euros (Notes 10.a) and b)).

In June 2022, the Company delivered 86,933 own shares to its employees as part of the commitments assumed under the second cycle of the first long-term incentive plan and new incentive plan described in section i). Those shares were acquired for 1,785,988 euros.

At March 31, 2023, the Company's own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 63,922,166 euros, corresponding to 3,305,632 shares representing 7.06% of share capital; the average purchase price was 19.34 euros (31 March 2022: 55,868,955 euros; 2,720,335 shares; 5.81% and 20.54 euros, respectively).

g) Shareholder contributions

The Company did not receive any new shareholder contributions during the years ended March 31, 2023 and March 31, 2022.

At March 31, 2023 and March 31, 2022, the Company's Majority Shareholder had contributed a total of 740,071,256 euros.

h) Distribution of dividends

As stated in the Spanish Corporate Enterprise Act (article 273), dividends may only be drawn on the year's profits or freely available reserves after meeting the requirements laid down by law and in the by-laws, and if the value of the corporate equity is nor, or as result of such distribution would not be, less than the company's capital. For these purposes, any profit directly allocated to total equity may not be distributed either directly or indirectly. In the event of losses in preceding years that reduce corporate equity to less than the company's capital, profits shall be used to offset such losses.

The Ordinary General Shareholders' Meeting of the Company held on June 18, 2021 resolved to distribute a gross dividend in the amount of 62,497,874 euros, equivalent to 1.4 euros per entitled share at that time, taking into account the number of shares outstanding with dividend rights at March 31, 2021, with a charge against profit for the year ended March 31, 2021, as proposed by the Board of Directors following a meeting held on May 7, 2021.

On July 30, 2021, a dividend of 1.4 euros per entitled share was paid, amounting to 62,172,272 euros, with the remaining amount of 325,602 euros recognised in unrestricted reserves.

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

The Ordinary General Shareholders' Meeting of the Company held on June 29, 2022, approved the distribution of a dividend in addition to the interim dividend (Supplementary Dividend), charged to the profit for the year ended March 31, 2022, of 1.34 euros per share for the number of shares that did not have the status of direct treasury shares on the date on which the registered holders entitled to receive the dividend were determined, as proposed by the Board of Directors at its meeting held on May 25, 2022. In this regard, in the event that at the time of the distribution of the aforementioned proposed dividend, the same number of the Company's own shares as at March 31, 2022 (2,720,335 shares) is maintained, the maximum dividend to be distributed (including the interim dividend and the supplementary dividend) would be 95,228,811 euros, leaving a remainder of 14,139,304 euros. On July 8, 2022, the final dividend of 1.34 euros per eligible share was paid, amounting to a gross amount of 59,157,647 euros, reducing the remaining balance by 82,136 euros.

The Board of Directors of the Company, at its meeting held on March 23, 2023, resolved to distribute an interim dividend out of the profits for the year ended March 31, 2023, for a gross amount of 1.00 euros per share, which was distributed among the shares entitled to receive it. This dividend was paid on March 31, 2023, for a gross amount of 43,508,905 euros.

On the date of approval of the interim dividend, the Company had the necessary liquidity to proceed with its payment in accordance with the provisions of the Capital Companies Act. The accounting liquidity statement prepared by the Directors on March 23, 2023 was as follows:

	(in thousand euros)
Profit after tax at March 16, 2023	45,432
Reserves to be allocated	-
Negative results from previous years	-
Maximum amount distributable as interim dividend (art. 277 LSC)	45,432
Projected interim dividend payment for fiscal year 2022-23	43,700
Cash and cash equivalents	51,449

On May 30, 2023, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2023 of 1.15 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed complementary dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (including the interim dividend and the complementary dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros (see Notes 3 and 20).

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

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

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

Nevertheless, at March 31, 2023, and at March 31, 2022, there are no limits on the distribution of dividends other than those contemplated in company law and the Green Bond debenture, issued by the Group company AEDAS HOMES OPCO, S.L.U. for a nominal amount of 325 million euros and due August 15, 2026. The bonds are listed on the Irish Stock Exchange's Global Exchange Market. The green bonds constitute senior secured debt of the Issuer. Specifically, they are secured by (i) a personal guarantee extended by AEDAS Homes, S.A., (ii) a first-ranking pledge, under Spanish law, over all of the share capital of the Issuer; and a (iii) a first-ranking pledge, under Spanish law, over all of AEDAS Homes S.A., Group's credit claims as a result of any intra-group loans.

i) Other equity instruments

On September 26, 2017, the Majority Shareholder approved a long-term incentive plan (First Long-Term Incentive Plan) payable entirely in shares for the CEO, Senior Management and certain key employees, structured into three overlapping three-year periods or cycles (the first cycle was paid in June 2021, the second cycle was paid in June 2022 and the third cycle runs from April 1, 2020 to March 31, 2023). The metrics to be used to measure delivery of the targets for the third cycle are, in equal parts: (i) EBITDA; (ii) the net development margin; and (iii) the shareholder return. For each there are minimum thresholds below which the bonuses do not accrue; there is also scope for outperformance. The number of shares to be received by each participant will be determined by the price of the shares in each three-year cycle (the average share price of the 20 sessions prior to the beginning of each cycle for the third three-year period) and the level of target delivery. All of the shares received by the CEO and 50% of those received by the members of the Management Committee are subject to a one-year lock-up from when they are received. In the case of the CEO and members of the Management Committee, this bonus is subject to repayment under certain circumstances. The cost of this incentive plan will be assumed by the Group. The maximum amount receivable by the plan beneficiaries is 6,107,201 euros (this amount is less than the 11 million euros initially foreseen, since 150% was not achieved in the First and Second Cycle, which have already been paid). The plan was endorsed by the Appointments and Remuneration Committee on February 27, 2018. On July 28, 2020, the Company's Board of Directors approved the New Incentive Plan payable entirely in shares, with the CEO, members of Senior Management and certain key employees as beneficiaries, subject to the achievement of the same objectives established for the second cycle of the first Long-Term Incentive Plan. In the case of the CEO and members of the Management Committee, this incentive is subject to a clawback clause if certain circumstances occur. This new incentive was paid in June 2022 in the amount of 1,198,658 euros. On October 18, 2022, the Company's Board of Directors approved the New Incentive Plan linked to the third cycle metrics, payable entirely in shares, with the CEO, members of Senior Management and certain key employees as beneficiaries, subject to the achievement of the same objectives established for the third cycle of the first Long-Term Incentive Plan. In the case of the CEO and members of the Management Committee, this bonus is subject to repayment under certain circumstances. At March 31, 2023, the Company assessed the level of attainment of the metrics linked to the third cycle of the First Long-Term Incentive Plan.

In June 2022, the Company delivered 86,933 own shares to its employees as part of the commitments assumed under the Second Cycle of the First Long-Term Incentive Plan and the New Incentive mentioned above, which represents a decrease in Other Equity Instruments in the amount of 3,153,103 euros (see section f)).

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

The amount recognised under "Other equity instruments" in respect of the commitments assumed under both Long-Term incentive plans by the Company vis-a-vis its key management personnel stood at 8,236,447 euros on March 31, 2023 (6,617,78 euros at March 31, 2022).

11. Provisions and contingencies

The Company did not recognize any provisions or contingencies at either March 31, 2023 or March 31, 2022.

12. Financial liabilities

The breakdown of financial liabilities at the end of each period is as follows:

	Euros			
	Financial liabilities at amortised cost		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Non-current financial liabilities				
Non-current liabilities				
Non-current borrowings from group companies and associates	2,496,752	-	2,496,752	-
	2,496,752	-	2,496,752	-
Current financial liabilities				
Current borrowings				
Promissory notes	44,367,965	37,549,453	44,367,965	37,549,453
Other financial liabilities	206,889	167,598	206,889	167,598
Current borrowings from group companies and associates	1,063,380	4,808,625	1,063,380	4,808,625
Trade and other payables				
Suppliers	355,629	157,437	355,629	157,437
Accrued for services received	3,075,724	2,549,531	3,075,724	2,549,531
Employee benefits payable	3,728,173	3,848,791	3,728,173	3,848,791
	52,797,760	49,081,435	52,797,760	49,081,435
Total	55,294,512	49,081,435	55,294,512	49,081,435

1. Promissory notes

On June 23, 2022, the Company arranged the AEDAS HOMES 2022 Commercial Paper Program on Spain's alternative fixed income market (MARF for its acronym in Spanish). Under the new programme, it can issue up to 150,000,000 euros of commercial paper with terms of up to 24 months, with the aim of continuing to diversify the Group's sources of financing. It substitutes the commercial paper programme arranged on June 14, 2021.

The Company issued a total of 155.1 million euros of commercial paper under the programme during the year ended March 31, 2023 and it repaid 148.5 million euros of commercial paper at maturity, leaving an outstanding balance of 44.7 million euros due on several dates between the reporting date and June 2024. The effective annual cost of the commercial paper issues is 4.33%.

During the year ended March 31, 2022, the Company completed several issues of promissory notes under the program in effect at that date for a total nominal amount of 35.1 million euros and notes in the amount of 53.7 million euros were redeemed at maturity, leaving a balance of 38.1 million euros outstanding at March 31, 2022 due in several tranches by September 2022. The effective annual cost of the commercial paper issues was 3.33%.

The commercial paper is initially recognised at the fair value of the consideration received plus directly attributable transaction costs. Subsequently, the implicit interest on the paper is accrued using the effective interest rate on the transaction so that the carrying amount of these borrowings is adjusted for the interest accrued. At March 31, 2023, the commercial paper recognised on the Company's balance sheet using the effective interest rate method amounted to 44,367,965 euros (37,549,453 euros at March 31, 2022).

2. Debt from Group Companies

This recognizes the tax payment obligation (VAT and Corporate Tax) to Group Companies, as a consequence of the applicable fiscal consolidation regime with effect from January 1, 2018, and the special provisions applicable to groups of entities (VAT), as well as includes at March 31, 2023 and March 31, 2022 the debt corresponding to the principal of loans granted to the Company at the respective dates by Group companies, and accrued and unpaid interest on such loans, which are reported on in Note 16.

13. Tax matters

a) *Applicable legislation and years open to inspection*

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. At March 31, 2023, all the taxes to which the Company is subject were open to inspection for all the years that have not become statute-barred.

The Group applied to have the tax authorities allow it to file its taxes under the consolidated tax regime from January 1, 2018.

b) *Taxes payable and receivable*

The breakdown of balances relating to tax assets and tax liabilities at the end of each period is as follows:

	Euros			
	March 31, 2023		March 31, 2022	
	Taxes receivable	Taxes payable	Taxes receivable	Taxes payable
VAT receivable from the tax authorities	2,295,033	-	14,237	-
VAT payable to the tax authorities		25,465,489	-	11,367,560
Current tax assets	73,697		73,696	-
Current tax liabilities (1)	-	28,653,717	-	15,915,737
Withholdings and payments on account	-	-	-	-
Payable in respect of withholdings	-	1,923,802	-	7,224,048
Other taxes payable to the tax authorities	-	(100)	-	3,176
Social Security payable	-	386,527	-	363,966
Deferred tax assets	2,061,279	-	1,656,614	-
Deferred tax liabilities	-	12,200	-	13,454
Total	4,430,009	56,441,635	1,744,547	34,887,941

(1) As of March 31, 2023 and March 31, 2022, the amount of Current Tax Liabilities corresponds to the corporation tax for the year ended March 31, 2023 and March 31, 2022, respectively, generated by companies under the consolidated tax regime.

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

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

	Euros	
	March 31, 2023	March 31, 2022
Profit/(loss) before tax	102,191,161	115,165,453
Permanent differences	(76,896,766)	(91,565,672)
Temporary differences	1,618,659	(6,871)
Taxable income/(tax loss) before utilization of tax losses/credits	26,913,054	23,592,910
Capitalization reserve	-	-
Taxable income/(tax loss)	26,913,054	23,592,910
Tax rate	25%	25%
Tax accrued	(6,728,264)	(5,898,227)
Other adjustments	296,832	110,332
Current income tax (expense)/income	(6,431,432)	(5,787,895)
Deferred tax (expense)/income	405,919	(9,443)

During the year ended March 31, 2023 the Company has made adjustments for temporary differences in the amount of 1,618,659 euros (6,871 euros in the year ended March 31, 2022), of which 4,771,762 euros correspond to positive adjustments for provisions for long-term incentive plan (3,376,977 euros in the year ended March 31, 2022) and 3,153,103 euros to the application of the aforementioned provisions (3,383,847.83 euros to the application of the aforementioned provisions as well as negative adjustments for changes in the fair value of derivatives in the year ended March 31, 2022) . During the year ended March 31, 2023 the Company has made adjustments for permanent differences in the amount of 76,896,766 euros (91,565,672 euros in the previous year) which mainly correspond to the recognition of the partial exemption applicable in relation to the distribution of dividends agreed by the subsidiaries AEDAS HOMES OPCO, S.L.U. and AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. in that financial year, in the amount of 81,204,941 euros (96,600,000 euros in the previous year, for the distribution of dividends agreed by the subsidiary AEDAS HOMES OPCO, S.L.U.), which are reported in Note 7.

d) Deferred taxes

The breakdown and reconciliation of the items comprising deferred tax assets and deferred tax liabilities:

	Euros			
	Opening balance	Income statement	Equity	Closing balance
Year ended March 31, 2023				
Deferred tax assets				
Temporary differences	1,656,614	404,665	-	2,061,279
	1,656,614	404,665	-	2,061,279
Deferred tax liabilities	(13,454)	1,254	-	(12,200)
Total	1,643,160	405,919	-	2,049,079
Year ended March 31, 2022				
Deferred tax assets				
Temporary differences	1,658,332	(1,718)	-	1,656,614
	1,658,332	(1,718)	-	1,656,614
Deferred tax liabilities	(5,729)	(7,725)	-	(13,454)
Total	1,652,603	(9,443)	-	1,643,160

The variation of tax credits and payables during the year ended March 31, 2023 corresponds to the application and net reversal of deductible temporary differences amounting to 404,665 euros and to the elimination and incorporation of results performed within the by Tax Group amounting to 1,254 euros.

The variation of tax credits and payables during the year ended March 31, 2022 corresponds to the application and net reversal of deductible temporary differences amounting to 1,718 euros and to the elimination and incorporation of results performed within the by Tax Group amounting to 7,725 euros.

On March 31, 2023, the deferred tax assets arising from deductible temporary differences correspond to provisions for an amount of 2,061,279 euros (1,656,614 euros in the previous year).

The Company has estimated taxable income for the next five years (the projection period considered to be sufficiently credible) on the basis of its budgets and the periods in which its taxable temporary differences are expected to revert. Based on this analysis, the Company has recognised deferred tax assets for the deductible temporary differences based on what it considers likely to generate sufficient taxable profit.

14. Income and expenses

a) Revenue

Analysis of revenue from continuing operations by business line and geographic segment:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
By business segment		
Management services and delegated development provided to the Group	43,098,005	39,976,234
Finance income	25,512,871	23,496,297
Dividends received from the subsidiaries (Note 7)	81,204,941	96,600,000
Total	149,815,817	160,072,531
By geographical market segment		
Spain	149,815,817	160,072,531
Total	149,815,817	160,072,531

b) External services

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Leases	(1,687,969)	(1,798,061)
Repairs and maintenance	(3,043,665)	(1,437,636)
Independent professional services	(5,075,164)	(5,627,060)
Insurance premiums	(188,078)	(162,725)
Banking services	(162,213)	(160,051)
Advertising, publicity and public relations	(3,296,049)	(2,512,180)
Utilities	(65,053)	(45,151)
Other services	(2,398,258)	(1,984,137)
Total	(15,916,449)	(13,727,001)

c) Employee benefits expense

Employee benefits expense breaks down as follows:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Wages, salaries and similar		
Salaries and wages	(18,402,770)	(18,219,595)
Share-based payments (Note 15)	(4,771,762)	(3,376,977)
Termination benefits	(262,517)	(395,516)
Total	(23,437,049)	(21,992,088)
Employee benefits		
Social security	(3,896,201)	(3,623,380)
Other benefit expense	(663,367)	(665,958)
Total	(4,559,568)	(4,289,338)
Total	(27,996,617)	(26,281,426)

The average number of people employed by the Company was 283 in the year ended March 31, 2023 (281 people in the year ended March 31, 2022). The breakdown, by job category, of the March 31, 2023 and March 31, 2022 workforce is shown below:

	March 31, 2023			March 31, 2022		
	Women	Men	Total	Women	Men	Total
Graduates	86	101	187	94	97	191
Diploma holders	32	31	63	26	30	56
Other	20	10	30	27	12	39
Total	138	142	280	147	139	286

d) Finance costs

Finance costs break down as follows:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Borrowings from group and associated companies (Note 16)	(50,949)	(25,475)
Third-party borrowings		
Syndicated loan interest	-	(1,768,143)
Other loans interest, commercial paper notes and collateral equity swap	(1,188,907)	(1,668,923)
Commission for guarantees, surety insurance and others	(56,056)	(110,849)
	(1,295,912)	(3,573,390)

15. Share-based payment transactions

The share-based payment transactions included within "Employee benefits expense" (Note 14.c) is reconciled below:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Key management personnel	4,771,762	3,376,977
	4,771,762	3,376,977

In June 2021, the Company delivered 30,090 own shares to its employees as part of the commitments assumed under the First Cycle of the First Long-Term Incentive Plan, which implied a decrease in "Other equity instruments" of 1,166,129 euros.

In June 2022, the Company delivered 86,933 own shares to its employees as part of the commitments assumed under the Second Cycle of the First Long-Term Incentive Plan and the New Incentive mentioned in Note 10.i), which represents a decrease in Other Equity Instruments in the amount of 3,153,103 euros.

At March 31, 2023, the amount recorded in Other Equity Instruments heading to meet said commitment assumed by the Company with its key employees under the long-term incentive plan, described in the Note 10.i), amounted to 8,236,447 euros (6,617,788 euros at March 31, 2022) (Note 10).

16. Related-party transactions

The main transactions with related parties in the year ended March 31, 2023 were the following:

- The administration, management and delegated development services provided to group companies.
- Loans to group companies (Note 8).
- Dividends distributed by AEDAS HOMES OPCO, S.L.U. and AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (Note 7).
- Loans received from Group companies (Note 12).
- On July 15, 2022, the Company formalizes a private contract for the sale of computers and mobile phones to Aedas Homes Living, S.L. for an amount of 1,399 euros, which generated a loss of 5,515 euros.
- On November 24, 2022, the Company contributes to AEDAS HOMES OPCO, S.L.U. a credit right for an amount of 1,642,316 euros, which it held by virtue of the contract of "assignment of the lease contract of business premises" dated September 3, 2021, signed between Inmobiliaria Colonial, SOCIMI, S.A. and Aedas Homes Opco, S.L.U.

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

- The administration, management and delegated development services provided to group companies.
- Loans to group companies (Note 8).
- Dividends distributed by AEDAS HOMES OPCO, S.L.U. (Note 7).

- Loans received from Group companies (Note 12).
- Assignment of credit claims by AEDAS HOMES OPCO, S.L.U. to the Company. On December 1, 2021 the transfer of the position in the credit claims against the entities AEDAS MUTILVA PROMOCION, S.L.U. (formerly known as ÁUREA MUTILVA PROMOCION, S.L.U.), DOMUS AVENIDA, S.L., ALLEGRA NATURE, S.L. and ÁUREA ETXABAKOITZ, S.L. was agreed, for a purchase price of 4,248,129 euros, and additionally including interest accrued as of November 30, 2021 for an amount of 243,782 euros.
- Purchase of shares of LIVE VIRTUAL TOURS, S.L.U. and AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. from AEDAS HOMES OPCO, S.L.U. (Note 7).
- Assignment of management contracts to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. On July 29, 2021, the Company signed two management contracts with ÁUREA IBÉRICA PROMOCIÓN, S.L. regarding the development of certain real estate developments in Portugalete and Madrid. These contracts were assigned to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. on March 29, 2022 for an amount of 35,900 euros.

The transactions for the year ended March 31, 2023 and the balances held with the Company's related companies as of March 31, 2023 are shown below:

	Euros					
	Income					
	Revenue			Other operating income (leases)	Finance costs	Gain or loss on disposal of property, plant and equipment
	Revenue from services rendered	Finance Income - Interest (Note 14.a)	Finance Income - Dividend (Note 14.a)			
Year ended March 31, 2023						
AEDAS HOMES OPCO, S.L.U.	39,945,904	23,602,417	77,651,297	19,579	-	-
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	116,400	235,335	3,553,644	141,162	-	-
LIVE VIRTUAL TOURS, S.L.U.	28,680	449	-	-	-	-
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	453,837	432,210	-	-	-	-
AEDAS HOMES CANARIAS, S.L.U. (formerly known as ESPEBE 18, S.L.U.)	198,642	525,865	-	-	-	-
SPV SPAIN 2, S.L.	18,000	-	-	-	-	-
AEDAS HOMES RENTAL, S.L.U. (formerly known as FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	2,046,498	-	-	-	-	-
SERVICIOS INMOBILIARIOS LICANCABUR S.L.	-	196,056	-	-	(44,242)	-
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	18,000	-	-	-	-	-
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly known as TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	191,848	147,895	-	-	-	-
WINSLARO ITG, S.L.	-	260,696	-	-	-	-
EGON ASSET DEVELOPMENT, S.L.U.	18,000	-	-	-	(211)	-
URBANIA LAMATRA II, S.L.	-	55,951	-	-	-	-
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	18,000	-	-	-	(30)	-
PARKER DESARROLLOS INMOBILIARIOS, S.L.U.	44,196	-	-	-	-	-
AEDAS HOMES LIVING, S.L.U.	-	415	-	-	(6,465)	(5,515)
DOMUS AVENIDA, S.L.	-	25,694	-	-	-	-
ESPACIO ÁUREA, S.L.	-	25,381	-	-	-	-
ALLEGRA NATURE, S.L.	-	4,506	-	-	-	-
	43,098,005	25,512,870	81,204,941	160,741	(50,948)	(5,515)

	Euros									
	Non-current loans granted (Note 8)	Current loans granted (Note 8)	Interest on current loan granted (Note 8)	Trade receivables (Note 8)	Current account with group companies (assets) (Note 8)	Non-current loans payable (Note 12)	Current loans payable (Note 12)	Interest on current loan payable (Note 12)	Current account with group companies (liabilities)	Payables
March 31, 2023										
AEDAS HOMES OPCO, S.L.U.	-	692,591,374	23,624,759	47,836,107	33,325,821	-	-	-	-	(43)
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	5,614,106	235,335	31,401	357,061	-	-	-	-	-
LIVE VIRTUAL TOURS, S.L.U.	-	23,039	20	2,892	-	-	-	-	(45,342)	-
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	-	7,801,848	432,210	519,212	-	-	-	-	(83,879)	-
AEDAS HOMES CANARIAS, S.L.U. (formerly known as ESPEBE 18, S.L.U.)	-	15,687,935	525,865	198,642	-	-	-	-	(292,050)	(3,595)
SPV SPAIN 2, S.L.	-	-	-	17,192	-	-	-	-	(29,343)	-
AEDAS HOMES RENTAL, S.L.U. (formerly known as FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	-	-	-	4,924,040	3,132,347	-	-	-	-	-
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	-	-	-	21,780	-	-	(549,849)	(44,242)	(7,221)	-
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly known as TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	-	3,144,871	147,895	231,958	1,104,076	-	-	-	-	-
WINSLARO ITG, S.L.	4,561,099	-	548,652	-	-	-	-	-	-	-
EGON ASSET DEVELOPMENT, S.L.U.	-	-	-	21,780	13,102	(123,397)	-	(211)	-	-
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	-	-	-	21,780	-	(17,528)	-	(30)	(4,748)	-

AEDAS HOMES LIVING, S.L.U.	-	-	-	55,249	287,624	(2,355,827)	-	(6,465)	-	(31,971)
DOMUS AVENIDA, S.L.	-	-	-	81	-	-	-	-	-	-
VARIA ACR MÓSTOLES FUENSANTA, S.L.	-	-	-	73	-	-	-	-	-	-
ESPACIO ÁUREA, S.L.	-	400,000	58,689	-	-	-	-	-	-	-
ALLEGRA NATURE, S.L.	-	-	-	(381)	-	-	-	-	-	-
RESIDENCIAL HENAO, S.L.	-	-	-	86	-	-	-	-	-	-
ÁUREA ETXABAKOITZ, S.L.	-	-	-	95	-	-	-	-	-	-
RESIDENCIAL CIUDELA UNO, S.L.	-	-	-	86	-	-	-	-	-	-
NATURE ESTE, S.L.	-	-	-	73	-	-	-	-	-	-
	4,561,099	725,263,173	25,573,425	53,882,146	38,220,031	(2,496,752)	(549,849)	(50,948)	(462,583)	(35,609)

On June 23, 2022, Aedas Homes, S.A., in its capacity as the sole shareholder of Aedas Homes Opco, S.L.U., resolved for Aedas Homes Opco, S.L.U. (the surviving company), to take over eight of its subsidiaries, i.e., Proyectos Inmobiliarios Atria Madrid, S.L.U., Domus Aedas Residencial, S.L.U., Aedas Este, S.L.U. (formerly Allegra Este, S.L.U.), Proyectos Balmes 89, S.L.U., Aedas Mutilva Promoción, S.L.U. (formerly Áurea Mutilva Promoción, S.L.U.) , Proyectos Inmobiliarios Lucida Navarra, S.L.U., Spv Reoco 15, S.L.U., and Proyectos Inmobiliarios Algedi Madrid, S.L.U. (the merging companies). This takeover became effective for tax and accounting purposes on 1 April 2022. The resolution was formalised in a public instrument dated 12 September 2022 and executed before Francisco Javier Monedero San Martín, notary of Madrid. It is public instrument number 2,243 in the notary's record, and it was registered in the Madrid Business Register on 11 November 2022. As a consequence of the merger, Aedas Homes Opco, S.L.U., is subrogated to the position of the merging companies in all their rights and obligations.

Transactions for the year ended March 31, 2022 and balances held with related companies of the Company as of March 31, 2022 are shown below:

	Euros				
	Income				Other transactions
	Revenue			Assignment of management contracts	Purchase of shares
	Revenue from services rendered	Finance Income - Interest (Note 14.a)	Finance Income - Dividend (Note 14.a)		
Year ended March 31, 2022					
AEDAS HOMES OPCO, S.L.U.	36,834,483	21,390,388	96,600,000	-	(524,268)
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	56,100	105,712	-	35,900	-
LIVE VIRTUAL TOURS, S.L.U.	28,680	4,743	-	-	-
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	539,648	866,620	-	-	-
ESPEBE 18, S.L.U. (currently called AEDAS HOMES CANARIAS, S.L.U.)	126,124	96,043	-	-	-
SPV REOCO 15, S.L.U.	289,370	252,752	-	-	-
SPV SPAIN 2, S.L.	36,000	-	-	-	-
FACORNATA SERVICIOS Y GESTIONES, S.L.U. (currently called AEDAS HOMES RENTAL, S.L.U.)	1,060,090	-	-	-	-
SERVICIOS INMOBILIARIOS LICANCABUR S.L.	-	191,776	-	-	-
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	170,557	136,227	-	-	-
TURNKEY PROJECTS DEVELOPMENT, S.L.U. (currently called AEDAS HOMES COLMENAR VIEJO, S.L.U.)	184,621	97,129	-	-	-
WINSLARO ITG, S.L.	-	148,842	-	-	-
EGON ASSET DEVELOPMENT, S.L.U.	18,000	8,789	-	-	-
URBANIA LAMATRA I, S.L.	-	11,531	-	-	-
URBANIA LAMATRA II, S.L.	-	80,613	-	-	-
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	18,000	103	-	-	-
PARKER DESARROLLOS INMOBILIARIOS, S.L.U.	18,000	96	-	-	-
AEDAS ESTE, S.L.U.	77,823	5,681	-	-	-
DOMUS AEDAS RESIDENCIAL, S.L.U.	97,422	184	-	-	-
PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.U.	147,404	1,262	-	-	-
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U.	12,000	-	-	-	-
PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.	150,363	2,823	-	-	-
PROYECTOS BALMES 89, S.L.U.	52,733	-	-	-	-
AEDAS MUTILVA PROMOCIÓN, S.L.U.	58,816	34,796	-	-	-
DOMUS AVENIDA, S.L.	-	6,906	-	-	-
ESPACIO ÁUREA, S.L.	-	33,308	-	-	-
ALLEGRA NATURE, S.L.	-	17,472	-	-	-
ÁUREA ETXABAKOITZ, S.L.	-	2,501	-	-	-
	39,976,234	23,496,297	96,600,000	35,900	(524,268)

	Euros								
	Non-current loans granted (Note 8)	Current loans granted (Note 8)	Interest on current loan granted (Note 8)	Trade receivables (Note 8)	Current account with group companies (assets) (Note 8)	Dividend receivable (Notes 7 & 8)	Current loans payable (Note 12)	Interest on current loan payable (Note 12)	Current account with group companies (liabilities)
March 31, 2022									
AEDAS HOMES OPCO, S.L.U.	603,585,400	-	1,548,999	46,455,679	38,339,957	50,600,000	-	-	-
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	7,782,683	-	105,712	124,852	357,061	-	-	-	(260,870)
LIVE VIRTUAL TOURS, S.L.U.	-	61,579	4,742	36,382	48,013	-	-	-	-
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	12,593,953	-	72,364	655,443	2,297,310	-	-	-	-
ESPEBE 18, S.L.U. (currently called AEDAS HOMES CANARIAS, S.L.U.)	3,691,679	-	96,043	133,687	-	-	-	-	(190,520)
SPV REOCO 15, S.L.U.	8,565,993	-	252,752	351,811	-	-	-	-	(178,009)
SPV SPAIN 2, S.L.	-	-	-	33,326	1,408,938	-	-	-	-
FACORNATA SERVICIOS Y GESTIONES, S.L.U. (currently called AEDAS HOMES RENTAL, S.L.U.)	-	-	-	2,447,704	-	-	-	-	(761,626)
SERVICIOS INMOBILIARIOS LICANCABUR S.L.	3,820,073	-	468,722	-	-	-	-	-	-
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	-	-	-	206,545	-	-	(1,505,000)	(25,475)	(33,552)
TURNKEY PROJECTS DEVELOPMENT, S.L.U. (currently called AEDAS HOMES COLMENAR VIEJO, S.L.U.)	3,423,331	-	97,129	229,185	-	-	-	-	(1,652,761)
WINSLARO ITG, S.L.	3,563,071	-	287,955	-	-	-	-	-	-
EGON ASSET DEVELOPMENT, S.L.U.	-	-	30	21,881	-	-	-	-	(40,818)
URBANIA LAMATRA II, S.L.	1,518,610	-	219,311	-	-	-	-	-	-
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	-	-	8	21,886	-	-	-	-	(5,447)
AEDAS HOMES LIVING, S.L.U.	-	-	1	21,886	-	-	-	-	(5,456)
AEDAS ESTE, S.L.U.	-	660,000	5,681	94,166	-	-	-	-	(66,383)
DOMUS AEDAS RESIDENCIAL, S.L.U.	50,000	-	184	117,903	-	-	-	-	(20,053)
PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.U.	52,000	-	1,262	178,381	38,861	-	-	-	-
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U.	-	-	-	14,520	-	-	-	-	(2,828)
PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.	156,000	-	2,823	181,962	-	-	-	-	(32,699)
PROYECTOS BALMES 89, S.L.U.	-	-	-	63,807	-	-	-	-	(11,657)
AEDAS MUTILVA PROMOCIÓN, S.L.U.	1,687,389	-	41,275	71,167	-	-	-	-	(15,471)
DOMUS AVENIDA, S.L.	-	1,339,780	6,906	-	-	-	-	-	-
ESPACIO ÁUREA, S.L.	-	400,000	33,308	-	-	-	-	-	-
ALLEGRA NATURE, S.L.	-	864,000	201,029	-	-	-	-	-	-
	650,490,182	3,325,358	3,446,237	51,462,173	42,133,080	50,600,000	(1,505,000)	(25,475)	(3,278,150)

Loans granted to Group companies and associates

The breakdown of loans granted to Group companies and associates at March 31, 2023 is as follows:

Company	Limit	Principal	Accrued and unpaid interest	Interest rate	Maturity date
Loan to AEDAS HOMES OPCO, S.L.U.	1,001,071,294	692,591,374	23,624,759	EURIBOR+3.5%	31/03/2024
Loan to Damalana Servicios y Gestiones, S.L.U.	42,300,000	7,801,848	432,210	EURIBOR+3.5%	31/03/2024
Loan to Aedas Homes Colmenar Viejo, S.L.U. (formerly known as Turnkey Projects Development, S.L.U.)	6,000,000	3,144,871	147,895	EURIBOR+3.5%	31/03/2024
Loan to Aedas Homes Canarias, S.L.U. (formerly known as Espebe 18, S.L.U.)	18,000,000	15,687,935	525,865	EURIBOR+3.5%	31/03/2024
Loan to Live Virtual Tours, S.L.U.	115,000	23,039	20	EURIBOR+3.5%	31/03/2024
Loan to Winslaro ITG, S.L.	4,520,000	2,824,068	408,634	EURIBOR+5.5%	11/06/2025
Loan to Winslaro ITG, S.L.	4,520,000	1,737,031	140,018	EURIBOR+5.5%	31/07/2027
Loan to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	13,000,000	5,614,106	235,335	EURIBOR+3.5%	31/03/2024
Loan to Espacio Áurea, S.L.	1,300,000	400,000	58,689	EURIBOR+5.5%	24/08/2023
Total	1,090,826,294	729,824,272	25,573,425		

The breakdown of loans granted to Group companies and associates at March 31, 2022 is as follows:

Company	Limit	Principal	Accrued and unpaid interest	Interest rate	Maturity date
Loan to AEDAS HOMES OPCO, S.L.U.	965,171,294	603,585,400	1,549,039	EURIBOR+3.5%	31/03/2024
Loan to Damalana Servicios y Gestiones, S.L.U.	42,300,000	12,593,953	72,364	EURIBOR+3.5%	31/03/2024
Loan to SPV Reoco 15, S.L.	26,700,000	8,565,993	252,752	EURIBOR+3.5%	31/03/2024
Loan to Turnkey Projects Development, S.L.U. (currently called Aedas Homes Colmenar Viejo, S.L.U.)	6,000,000	3,423,331	97,129	EURIBOR+3.5%	31/03/2024
Loan to Espebe 18, S.L.U. (currently called Aedas Homes Canarias, S.L.U.)	4,000,000	3,691,679	96,043	EURIBOR+3.5%	31/03/2024
Loan to Live Virtual Tours, S.L.U	115,000	61,579	4,742	EURIBOR+5.5%	31/03/2022
Loan to Servicios Inmobiliarios Licancabur, S.L.U.	5,300,000	3,820,073	468,722	EURIBOR+5.5%	29/07/2025
Loan to Winslaro ITG, S.L.	4,520,000	2,274,540	251,646	EURIBOR+5.5%	11/06/2025
Loan to Winslaro ITG, S.L.	4,520,000	1,288,531	36,309	EURIBOR+5.5%	31/07/2027
Loan to Urbania Lamatra II, S.L.	3,140,000	1,518,610	219,311	EURIBOR+6.5%	26/07/2025
Loan to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	7,782,683	7,782,683	105,712	EURIBOR+5.5%	31/03/2024
Loan to AEDAS Mutilva Promoción, S.L.U.	2,145,889	1,687,389	41,275	EURIBOR+5.5%	30/06/2024
Loan to Domus Aedas Residencial, S.L.U.	1,500,000	50,000	184	EURIBOR+3.5%	31/03/2024
Loan to Proyectos Inmobiliarios Atria Madrid, S.L.U.	1,500,000	52,000	1,262	EURIBOR+5.5%	31/03/2024
Loan to Proyectos Inmobiliarios Algedi Madrid, S.L.	1,500,000	156,000	2,823	EURIBOR+5.5%	31/03/2024
Loan to Domus Avenida, S.L.	1,689,740	1,090,180	5,292	3%	23/11/2021
Loan to Domus Avenida, S.L.	249,600	249,600	1,614	4%	03/12/2022
Loan to AEDAS Este, S.L.U.	2,000,000	660,000	5,681	EURIBOR+5.5%	31/12/2022
Loan to Espacio Áurea, S.L.	2,600,000	400,000	33,308	EURIBOR+5.5%	24/08/2022
Loan to Allegra Nature, S.L.	2,320,000	864,000	201,029	4%	30/04/2022
Total	1,085,054,206	653,815,540	3,446,237		

The interests on current loans granted to Group companies and associates are recognised in the short term, in the amount of 25,573,425 euros at March 31, 2023 (3,446,237 euros at March 31, 2022).

The main movements during the years ended March 31, 2023 and March 31, 2022 consist of drawdowns of loans for financing the purchase of land and non-financeable project expenses, as well as the assignment of credit claims by AEDAS HOMES OPCO, S.L.U. to the Company. Repayments relate mainly to the repayment of loans held by companies delivering homes.

Loans received from Group and associated companies

The detail of loans received from Group and associated companies as of March 31, 2023 is as follows:

Company	Limit	Principal	Interest rate	Maturity date
FALCON DESARROLLOS INMOBILIARIOS S.L.	1,000,000	17,527	EURIBOR+3,5	31/03/2025
AEDAS HOMES LIVING S.L.	20,000,000	2,355,827	EURIBOR+3,5	31/03/2025
SERVICIOS INMOBILIARIOS MAUNA LOA S.L.	2,000,000	549,849	EURIBOR + 3,5%	30/06/2023
EGON ASSET DEVELOPMENT S.L.	1,000,000	123,398	EURIBOR +3,5	31/03/2025
Total	24,000,000	3,046,601		

As of March 31, 2022, an amount of 1,505,000 euros was owed corresponding to the principal of the loan granted to the Company by the related company Servicios Inmobiliarios Mauna Loa, S.L.U., and accrued and unpaid interest on said loan, amounting to 25,475 euros.

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

a) *Changes to the governing bodies*

The Board of Directors consists of the following members at March 31, 2023:

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

b) *Disclosures regarding director conflicts of interest*

Neither the current nor former directors of the Parent carried out transactions with the Company or any of its Group companies other than in the ordinary course of business or other than on an arm's length basis during the year ended March 31, 2023.

Nor did the members of the Parent's Board of Directors or their related parties, as defined in Spain's Corporate Enterprises Act, engage in relations with other companies whose business activities could represent a conflict of interest for them or the Company during the year ended March 31, 2023 on the basis that none of the notices required under article 229 of that Act have been filed with the competent authorities. Accordingly, there are no related disclosures in these financial statements.

c) *Director remuneration and other benefits*

The remuneration accrued by the members of the Company's Board of Directors amounted to 3,444,973 euros in the year ended March 31, 2023 and 2,494,699 euros in the year ended March 31, 2022, and the accrued and consolidated remuneration amounted to 2,155,326 euros and 2,480,296 euros, respectively.

d) *Key management personnel remuneration and other benefits*

The remuneration paid to the Company's key management personnel and professionals performing similar executive duties during the years ended March 31, 2023 and March 31, 2022 was as follows:

No, of individuals March 31, 2023	Euros			Advances	
	Year ended March 31, 2023				
	Fixed and Variable remuneration (*)	Other remuneration (**)	Total	No.	Amount
6	1,551,010	1,612,239	3,163,249	-	-

(*) Includes the annual variable remuneration accrued at 100% (295,709 euros), with the amount accrued and consolidated in the year ended March 31, 2023 being 253,994 euros.

(**) Includes the 100% accrued amount for each of the Long-Term Incentive Plans, regardless of the effective date of consolidation, the consolidated amount being 311,282 euros in the year ended March 31, 2023.

No. of individuals	Euros			Advances	
	Year ended March 31, 2022				
	Fixed and Variable remuneration	Other remuneration	Total	No.	Amount
March 31, 2022					
8	1,651,944	1,832,371	3,484,315	-	-

The Company has no pension obligations to its key management personnel nor has it extended these professionals any advances, loans or guarantees, at March 31, 2023 and March 31, 2022. There were no special incentive plans over shares of Aedas Homes, S.A. at March 31, 2023 and March 31, 2022, except for the one described in Note 10.i).

In the year ended March 31, 2023, the Company paid 82,734 euros of civil liability insurance premiums on behalf of its directors to cover potential damages caused in the course of carrying out their duties (71,442 euros in the year ended March 31, 2022).

18. **Risk management**

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

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

Credit risk:

The Company is not exposed to significant credit risk since its customers are group companies under a contract for the provision of services signed with its subsidiaries. In addition, the subsidiaries do not have any significant credit risk since the collection from their development customers is guaranteed by the properties sold and they maintain a diversified customer base.

In addition, its cash surpluses are placed with highly solvent banks, in accordance with the Group's cash surplus placement policy, in respect of which counterparty risk is not material.

No accounts receivable from Group companies, related parties or third parties were past due at March 31, 2023.

Liquidity risk:

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

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Company holds the cash balances shown on the balance sheet as well as the credit lines and financing agreements detailed in Note 12.

The Company's directors believe that these arrangements will be sufficient to cover its cash requirements and those of its subsidiaries going forward. The liquidity function is managed at the Group level, so the operating

companies do not face liquidity shortfalls and can concentrate on pursuing their real estate developments, which are primarily financed using external borrowings in the form of developers' loans.

On June 23, 2022, the Company arranged the AEDAS HOMES 2022 Commercial Paper Program on Spain's alternative fixed income market (MARF for its acronym in Spanish). Under the new programme, it can issue up to 150,000,000 euros of commercial paper with terms of up to 24 months, with the aim of continuing to diversify the Group's sources of financing. It substitutes the commercial paper programme arranged on June 14, 2021. The Company issued a total of 155.1 million euros of commercial paper under the programme during the year ended March 31, 2023 and it repaid 148.5 million euros of commercial paper at maturity, leaving an outstanding balance of 44.7 million euros due on several dates between the reporting date and June 2024. The effective annual cost of the commercial paper issues is 4.33%.

During the year ended March 31, 2022, the Company completed several issues of promissory notes under the program in effect at that date for a total nominal amount of euro 35.1 million and notes in the amount of euro 53.7 million were redeemed at maturity, leaving outstanding at March 31, 2022 a nominal amount of euro 38.1 million maturing in several tranches, until September 2022. The effective annual cost was 3.33%.

Market risk: interest rate risk

The Company's cash balances and certain borrowings are exposed to interest rate risk, and this could have an adverse impact on its net finance costs and cash flows. However, as of March 31, 2023, the financial debt held by the Company corresponds mainly to promissory notes, which accrue a fixed interest rate, and therefore the Company is not subject to significant market risk associated to the interest rate on that date. For this reason, the Company's directors have not deemed it necessary to write interest rate hedges.

19. Other information

a) Workforce disclosures

Two employees with a disability of a severity of 33% or higher are employed by the Company at March 31, 2023 (one employee at March 31, 2022).

The Board of Directors was made up of 9 directors at March 31, 2023 and March 31, 2022, seven of whom were men and two were women.

b) Audit fees

Audit fees accrued during the year for services rendered by the statutory auditor:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Audit and related services		
Audit services	207,614	191,230
Other assurance services	66,098	107,350
Total	273,712	298,580

c) Environmental disclosures

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

d) Disclosures regarding average supplier payment terms. Additional Provision Three "Disclosure requirements" of Law 15/2010

The disclosures regarding the average supplier payment term:

	Year ended March 31, 2023	Year ended March 31, 2022
	Days	
Average supplier payment term	44.61	40.91
Ratio of paid transactions	43.45	41.73
Ratio of outstanding transactions	180.49	33.12
	Euros	
Total payments made	24,823,319	21,269,777
Total payments outstanding	211,759	2,233,436

The table below gives the monetary volume and number of invoices paid by the legal deadline in accordance with article 9 of Act 18/2022 of 28 September on business creation and growth.

	Financial year ended 31 March 2023
Monetary volume of invoices paid in less than the maximum period set by law (euros) <i>Percentage of all payments made</i>	20,622,144 83%
Number of invoices paid in less than the maximum period set by law <i>Percentage of all invoices paid</i>	21,207 80%

20. Events after the reporting period

No events have taken place since the end of the reporting period ended March 31, 2023, that could have a material impact on the information presented in the annual financial statements authorised for issue by the directors, other than that disclosed below:

- At May 25, 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 securities; 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 30, 2023, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2023 of 1.15 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (Interim Dividend and Complementary Dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros (see Notes 3 and 14).
- On May 30, 2023, the Board of Directors proposes a share capital reduction of the Company for an amount equal to 3,106,537 euros 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 Repurchase Program.

21. Translation of financial statements

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

Appendix I - Subsidiaries companies belonging to the AEDAS Homes Group at March 31, 2023

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			31/03/2023				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation method
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Real estate services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	ERNST & YOUNG, S.L.	Full consolidation method
AEDAS HOMES CANARIAS, S.L.U. (formerly known as ESPEBE 18, S.L.U.)	Palmas de Gran Canaria	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES RENTAL, S.L.U. formerly known as FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES COLMENAR VIEJO, S.L.U. formerly known as TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES LIVING, S.L.U.	Madrid	Decoration and interior design services	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation method
VARIA ACR MÓSTOLES FUENSANTA, S.L.	Madrid	Development	15.6%	Indirect	AEDAS HOMES, S.A. through DOMUS AVENIDA, S.L	KPMG Auditores, S.L.	Equity method
ESPACIO ÁUREA, S.L.	Madrid	Development	50%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
ALLEGRA NATURE, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	ETL Spain Audit Services, S.L.	Equity method

RESIDENCIAL HENAO, S.L.	Bizkaia	Development	22.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	KPMG Auditores, S.L.	Equity method
ÁUREA ETXABAKOITZ, S.L.	Navarra	Development	14.81%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	KPMG Auditores, S.L.	Equity method
RESIDENCIAL CIUADELA UNO, S.L.	Navarra	Holdco	17.13%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
NATURE ESTE, S.L.	Madrid	Development	17.13%	Indirect	AEDAS HOMES, S.A. through RESIDENCIAL CIUADELA UNO, S.L.	ETL Spain Audit Services, S.L.	Equity method

Subsidiaries companies belonging to the AEDAS Homes Group at March 31, 2022

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

PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U.	Navarre	Holdco	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U. 80% and, through PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U., 20%	-	Full consolidation method
PROYECTOS BALMES 89, S.L.U.	Barcelona	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS MUTILVA DEVELOPMENT, S.L.U.	Navarre	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation method
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	Madrid	Development	15.6%	Indirect	AEDAS HOMES, S.A. through DOMUS AVENIDA, S.L.	-	Equity method
ESPACIO AUREA, S.L.	Madrid	Development	50%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
ALLEGRA NATURE, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
RESIDENCIAL HENAO, S.L.	Bizkaia	Development	22.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
AUREA ETXABAKOITZ, S.L.	Navarre	Development	14.81%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
RESIDENCIAL CIUDADELA UNO, S.L.	Navarre	Holdco	17.13%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
NATURE ESTE, S.L.	Madrid	Development	17.13%	Indirect	AEDAS HOMES, S.A. through RESIDENCIAL CIUDADELA UNO, S.L.	-	Equity method

MANAGEMENT REPORT

Aedas Homes, S.A.

For the year ended March 31, 2023

1. Organizational and operating structure

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

On July 18, 2016, the Company's name was changed to Aedas Homes Group, S.A. On September 12, 2017, the Company's legal form of incorporation was changed to that of a public limited company and its name was again changed to Aedas Homes, S.A.

During the year ended December 31, 2017, the Company's Majority Shareholder contributed, in a series of transactions, its Spanish real estate development business to Aedas Homes, S.A.:

- On March 30, 2017, the Majority Shareholder made a non-monetary equity injection into the Company in the amount of 314,032,337 euros, a transaction that materialised in the issue of 31,403,231 shares with a unit par value of one euro and a share premium of 282,629,106 euros. That contribution primarily implied the first-time recognition of real estate assets with a net carrying amount of 596,293,156 euros (stated at the Group's ownership interest therein) that were financed by a loan extended by the Majority Shareholder.
- On June 29, 2017, the Company's Majority Shareholder made another non-monetary equity injection into the Company in the amount of 23,140,283 euros, a transaction that materialised in the issue of 2,314,028 shares with a unit par value of one euro and a share premium of 20,826,255 euros. That contribution primarily implied the first-time recognition of real estate assets with a net carrying amount of 43,691,035 euros (stated at the Group's ownership interest therein) that were financed by a loan extended by the Majority Shareholder.
- On August 16, 2017, the Parent's Majority Shareholder made a non-monetary equity contribution to the Company, specifically contributing its interest in Danta Investment, S.L.U.; the contribution had the effect of increasing the Company's share capital by 11,086,771 euros (issuing the same number of shares with a unit par value of one euro) and the share premium account by 99,780,938 euros. The purpose of the above contribution was to contribute a business consisting of the Majority Shareholder's interest in FAB MAY, a company that had inventories at various stages of development, tax credits and cash. The balancing entry for that contribution consisted of the transfer of 95% of the shares of Danta Investment S.L.U. and a credit claim against FAB related to a loan that was cancelled on August 21, 2017. FAB MAY was subsequently liquidated on September 15, 2017, all of its liabilities were cancelled and 100% of its assets were allocated to Danta Investments, S.L.U. At the same time, Danta Investments, S.L.U. paid SAREB (the acronym of the state-owned 'bad bank' that manages the assets resulting from bank restructuring) a consideration amounting to 4,800,000 euros plus VAT.

The merger between Aedas Homes Group (Transferee) and Aedas Homes (Transferor) closed on June 29, 2017 and the name and registered office of the Transferee were changed to those of the Transferor, so the Company's name was changed from Aedas Homes Group to Aedas Homes. The merger by absorption implied: (i) the dissolution and extinction of the Transferor; (ii) the *en-bloc* transfer of all the latter's assets and liabilities to the Transferee, which acquired all its rights and obligations by universal succession.

The shares representing the share capital of Aedas Homes S.A. have been trading on the continuous stock markets of Madrid, Barcelona, Bilbao and Valencia since October 20, 2017, at a price of 31.65 euros per share.

On April 2, 2018, by virtue of resolutions ratified by Aedas Homes, S.A. in its capacity as sole shareholder of SPV Reoco 1, S.L.U., it was agreed to merge SPV Reoco 1, S.L.U. (currently called "Aedas Homes Opco, S.L.U.") ("Transferee") and 41 of its subsidiaries (ESPEBE 2, S.L.U., ESPEBE 4, S.L.U., ESPEBE 7, S.L.U., ESPEBE 12, S.L.U., ESPEBE 14, S.L.U., ESPEBE 15, S.L.U., ESPEBE 16, S.L.U., ESPEBE 17, S.L.U., ESPEBE 20, S.L.U., ESPEBE 21, S.L.U., ESPEBE 22, S.L.U., ESPEBE 23, S.L.U., ESPEBE 25, S.L.U., ESPEBE 26, S.L.U., ESPEBE 27, S.L.U., ESPEBE 28, S.L.U., ESPEBE 29, S.L.U., ESPEBE 31, S.L.U., ESPEBE 32, S.L.U., ESPEBE 34, S.L.U., ESPEBE 35, S.L.U., SPV REOCO 2, S.L.U., SPV REOCO 5, S.L.U., SPV REOCO 6, S.L.U., SPV REOCO 12,

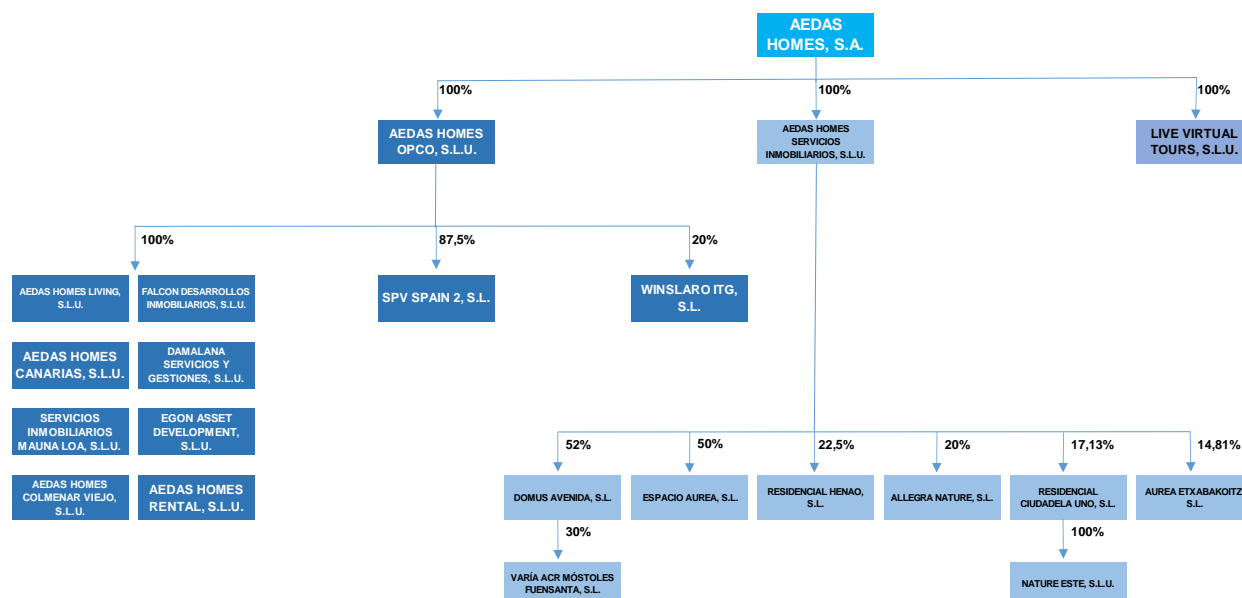
S.L.U., SPV REOCO 14, S.L.U., SPV REOCO 17, S.L.U., SPV REOCO 18, S.L.U., SPV REOCO 26, S.L.U., SPV SPAIN PROJECT 1, S.L.U., SPV SPAIN 7, S.L.U., SPV SPAIN 16, S.L.U., SPV SPAIN 17, S.L.U., CORNETALA SERVICIOS Y GESTIONES, S.L.U., DANTA INVESTMENTS, S.L.U., DELANETO SERVICIOS Y GESTIONES, S.L.U., DESARROLLO EMPRESARIAL LICANCABUR, S.L.U., EPAVENA PROMOCIONES Y SERVICIOS, S.L.U., LANDATA SERVICIOS Y GESTIONES, S.L.U., MILEN INVESTMENTS, S.L.U. and SERVICIOS INMOBILIARIOS CLEGANE, S.L.U., the "Transferors"). The merger by absorption implied: (i) the dissolution and extinction of the Transferors; (ii) the *en-bloc* transfer of all the latter companies' assets and liabilities to the Transferee, which acquired all of their rights and obligations by universal succession. The merger deeds were publicly notarised on May 4, 2018 and registered with the Madrid Companies Register.

On March 30, 2020, the Shareholders' Meeting of the Company, at the proposal of the Board of Directors, agreed to change the Company's fiscal year to the twelve-month period from April 1 to March 31 the following year, which would run from January 1, 2020 to March 31, 2020., This management report therefore relates to the twelve-month period from April 1, 2022 to March 31, 2023.

On the other hand, on June 23, 2022, by virtue of the decisions adopted by "Aedas Homes, S.A.", as Sole Shareholder of "Aedas Homes Opco, S.L.U.", it was agreed the merger by absorption of "Aedas Homes Opco, S.L.U." ("Absorbing Company") and eight of its subsidiaries named "Proyectos Inmobiliarios Atria Madrid, S.L.U.", Domus Aedas Residencial, S.L.U., Aedas Este, S.L.U. (formerly known as Allegra Este, S.L.U.), Proyectos Balmes 89, S.L.U., Aedas Mutilva Promoción S.L.U. (formerly known as Áurea Mutilva Promoción, S.L.U.) , Proyectos Inmobiliarios Lucida Navarra, S.L.U., Spv Reoco 15, S.L.U. and Proyectos Inmobiliarios Algedi Madrid, S.L.U." ("Absorbed Companies"). This merger by absorption implies: (i) the dissolution and extinction of the Absorbed Companies, and (ii) the transfer en bloc of their corporate assets to the Absorbing Company, which acquires, by universal succession, all the rights and obligations of the Absorbed Companies, with accounting and tax effects as from April 1, 2022.

At present, Aedas Homes, S.A. heads up a group of enterprises that carries out its business activities either directly or through investments in other companies with an identical or similar corporate object.

The corporate structure of the group comprising Aedas Homes, S.A. and its subsidiaries (the Group) at March 31, 2023 is presented below:



The business activity of Aedas Homes, S.A. is developed entirely in the Spanish territory and its corporate purpose in its capacity as Group Parent, is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease. The foregoing activities may also be performed in whole or in part on an indirect basis through ownership interests in other companies with similar corporate purposes. To that end, the Company may acquire, administer and sell securities of all kinds, including but not limited to, shares, convertible bonds and unitholdings of any kind.

2. Business performance and financial results - key measures

At March 31, 2023, the Company's assets totalled 1,088,455,097 euros, liabilities (current and non-current) amounted to 111,736,147 euros and equity stood at 976,718,950 euros.

Turnover and gross margin

In the year ended March 31, 2023, the net turnover was 149,815,817 euros, of which 43,098,005 euros related to services rendered under the provision of administration, management and delegated development services agreements entered into with the various Group companies, 25,512,871 euros related to financial income from loans granted to Group companies and 81,204,941 euros related to dividends received from the group companies.

EBITDA

EBITDA amounted to a positive amount of 106,006,396 euros in the year ended March 31, 2023.

Profit/(loss)

The Company reported a profit of 96,165,647 euros in the year ended March 31, 2023.

Financial situation

At March 31, 2023, liabilities stood at 111,736,147 euros, of which 2,508,952 euros corresponded to non-current liabilities and 109,227,195 euros to current liabilities. In comparison, at March 31, 2022 liabilities stood at 83,969,376 euros, of which, 13,454 euros corresponded to non-current liabilities and 83,955,922 euros to current liabilities. As a result, at March 31, 2023 the debt maturing at long term represents 2.25% of total liabilities (0.02% at March 31, 2023).

3. Environmental and staff matters

In relation to environmental matters, reference should be made to Note 19.c in the attached notes to the financial statements.

The average number of people employed by the Company was 283 in the year ended March 31, 2023 (281 people in the year ended March 31, 2022). The breakdown of the workforce on the reporting date by region, department and job category is provided below:

Region	March 31, 2023
Madrid	154
Catalonia	27
Balearic Islands and Spanish east coast	31
Costa del Sol	22
Rest of Andalusia	30
North	16
Total	280

Department	March 31, 2023
Business	209
Corporate	71
Total	280

Employee category	March 31, 2023
Senior management	49
Middle management	71
Technical and administrative staff	160
Total	280

4. Liquidity and capital resources

Note 18 to the financial statements outlines the Group's capital and liquidity risk management policies.

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

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Group holds the cash balances shown on the balance sheet as well as the credit lines and financing agreements detailed in Note 12 of the attached notes to the financial statements for the year ended March 31, 2022.

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

5. Key risks and sources of uncertainty

The Parent has drawn up a risk map. To this end, it has analysed the organization's procedures, identifying the potential sources of risk, quantifying the related exposures and taking the opportune measures to prevent their materialization.

The Group reports in detail in its Integrated Notes to the Financial Statements, available on the CNMV and Company's website from the date of publication of the financial statements.

The most significant financial risks to which the Group is exposed are:

Market risk

Exposure to credit risk

The Company is not exposed to significant credit risk since its customers are group companies under a contract for the provision of services signed with its subsidiaries. In addition, the subsidiaries do not have any significant credit risk since the collection from their development customers is guaranteed by the properties sold and the diversification of their customer portfolio.

In addition, its cash surpluses are placed with highly solvent banks, in accordance with the Group's cash surplus placement policy, in respect of which counterparty risk is not material.

No accounts receivable from Group companies, related parties or third parties were past due at March 31, 2023.

Exposure to solvency risk

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

Exposure to exchange-rate risk

Given the Company's scant exposure to markets outside the Eurozone, exposure to foreign exchange risk is considered immaterial.

6. R&D activities

Given Aedas Homes S.A.'s business lines, it does not engage in any a significant research and development activities.

7. Own shares

At March 31, 2023, the Company's own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 63,922,166 euros, corresponding to 3,305,632 shares representing 7.06% of share capital; the average purchase price was 19.34 euros (31 March 2022: 55,868,955 euros; 2,270,335 shares; 5.81% and 20.54 euros, respectively). Note 10.f of the accompanying notes to the consolidated financial statements includes information on transactions carried out on treasury stock.

8. Significant events after the reporting date

As outlined in Note 20 of the financial statements for the year ended March 31, 2023, no events have taken place since the end of the reporting period that might have a material impact on the information presented in the financial statements authorised for issue by the directors, or that should be highlighted because they have significant impact, except for those that are described in said note.

9. Payments to Suppliers

The information regarding the Additional Provision Three "Disclosure requirements" of Act 15/2010 of July 5, which modifies the Act 3/2004, of December 29, by which the measures for the fighting against arrear in commercial operations are established, is presented in the Note 19.d of the attached notes to the financial statements for the year ended March 31, 2022, in compliance with the requirements of such Act.

10. Information regarding the entity's performance in the year ended March 31, 2023

At present, Aedas Homes, S.A. is the parent of a group of enterprises. It carries out its business activities either directly or through investments in other companies.

With the aim of simplifying the Group's organizational and management structure, on April 2, 2018, pursuant to resolutions ratified by Aedas Homes, S.A., in its capacity as sole shareholder of SPV Reoco 1, S.L.U., (currently called "Aedas Homes Opco, S.L.U."), agreed the merger between SPV Reoco 1, S.L.U. ("Transferee") and 41 of its subsidiaries. This merger has simplified and sped up corporate decision-making.

On November 17, 2021 AEDAS HOMES OPCO, S.L.U. transferred 100% ownership interest in AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. to AEDAS HOMES, S.A., for a purchase price of 383,429 euros. The later will hereinafter be the entity that provides real estate management services within the AEDAS HOMES Group. Additionally, on December 15, 2021, the Company acquired 100% ownership interest in VIRTUAL TOURS, S.L.U. from AEDAS HOMES OPCO, S.L.U., being its corporate object the audiovisual distribution, for a purchase price of 140,839 euros.

On July 27, 2021, the Company reduced its share capital by 1,160,050 euros by cancelling 1,160,050 own shares (unit par value: 1 euro), which represented approximately 2.418% of the Company's share capital at the time. At March 31, 2023, the Company's share capital accordingly consisted of 46,806,537 shares with a par value of one euro each (46,806,537 shares with a par value of one euro each at March 31, 2022).

On the other hand, on June 23, 2022, by virtue of the decisions adopted by "Aedas Homes, S.A.", as Sole Shareholder of "Aedas Homes Opco, S.L.U.", it was agreed the merger by absorption of "Aedas Homes Opco, S.L.U." ("Absorbing Company") and eight of its subsidiaries named "Proyectos Inmobiliarios Atria Madrid, S.L.U.", Domus Aedas Residencial, S.L.U., Aedas Este, S.L.U. (before Allegra Este, S.L.U.), Proyectos Balmes 89, S.L.U., Aedas Mutilva Promoción S.L.U. (before Áurea Mutilva Promoción, S.L.U.), Proyectos Inmobiliarios Lucida Navarra, S.L.U., Spv Reoco 15, S.L.U. and Proyectos Inmobiliarios Algedi Madrid, S.L.U." ("Absorbed Companies"). This merger also simplified and sped up corporate decision-making.

At March 31, 2023, the Company's assets totalled 1,088,455,097 euros, liabilities (current and non-current) amounted to 111,736,147 euros and equity stood at 976,718,950 euros.

At March 31, 2023, liabilities stood at 111,736,147 euros, of which 2,508,952 euros corresponded to non-current liabilities and 109,227,195 euros to current liabilities. In comparison, at March 31, 2022 liabilities stood at 83,969,376 euros, of which, 13,454 euros corresponded to non-current liabilities and 83,955,922 euros to current

liabilities . As a result, at March 31, 2023 the debt maturing at long term represents 2.25% of total liabilities (0.02% at March 31, 2022).

In the year ended March 31, 2023, the net turnover was 149,815,817 euros, of which 43,098,005 euros related to services rendered under the provision of administration, management and delegated development services agreements entered into with the various Group companies and 25,512,871 euros related to financial income from loans granted to Group companies and 81,204,941 euros related to dividends received from the group companies.

EBITDA amounted to a positive amount of 106,006,396 euros in the year ended March 31, 2023.

The Company reported a profit of 96,165,647 euros in the year ended March 31, 2023.

As described in Note 10.h of the attached notes to the financial statements for the year ended March 31, 2023, the Company's Board of Directors, at the meeting held on March 23, 2023, agreed to distribute an interim dividend on the profits for the year ended March 31, 2023, for the gross amount of EUR 1.00 per share, which was paid on those shares which had a right to the same. The payment of this dividend was made on March 31, 2023.

On May 30, 2023, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2023 of 1.15 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed complementary dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (including the interim dividend and the complementary dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros (see Notes 3, 10.h and 20 of the attached notes to the financial statements for the year ended March 31, 2022).

11. Annual Corporate Governance Report

Aedas Homes, S.A.'s Annual Corporate Governance Report for the year ended March 31, 2023 is part of the Management Report, and has been available since the date of publication of the annual accounts on the website of the National Securities Market Commission.

12. Annual Report on Directors' Remuneration

Aedas Homes, S.A.'s Annual Report on Directors' Remuneration for the year ended March 31, 2023 is part of the Management Report, and has been available since the date of publication of the annual accounts on the website of the National Securities Market Commission.

13. Non-financial Information Statement

Pursuant to Article 262.5 of the Capital Companies Act, the Company is exempt from the obligation to present the Non-Financial Statement, as this information is included in the Integrated Notes to the Financial Statements of the Group headed by the Company, and which will be filed, together with the consolidated financial statements, with the Commercial Registry of Madrid.

**DECLARACIÓN DE RESPONSABILIDAD DE
AEDAS HOMES, S.A.**

Conforme a lo establecido en el artículo 8.1(b) del Real Decreto 1362/2007, de 19 de octubre, los miembros del Consejo de Administración de Aedas Homes, S.A. abajo firmantes realizan la siguiente declaración de responsabilidad:

Que, hasta donde alcanza su conocimiento, las Cuentas Anuales individuales de Aedas Homes, S.A. correspondientes al ejercicio anual terminado el 31 de marzo de 2023 han sido elaboradas con arreglo a los principios de contabilidad aplicables; ofrecen, tomadas en su conjunto, la imagen fiel del patrimonio, de la situación financiera y de los resultados de Aedas Homes, S.A.; y el Informe de Gestión individual incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de Aedas Homes, S.A., junto con la descripción de los principales riesgos e incertidumbres a que se enfrentan.

Los consejeros, en prueba de conformidad, firman esta hoja:

D. Santiago Fernández Valbuena
Presidente

D. David Martínez Montero
Consejero Delegado

**DECLARATION OF LIABILITY OF AEDAS
HOMES, S.A.**

In accordance with the provisions of article 8.1 (b) of Royal Decree 1362/2007, of October 19, the members of the Board of Directors of Aedas Homes, S.A. below signatories make the following declaration of liability:

That, as far as it is known, the individual Annual Accounts of Aedas Homes, S.A. for the financial year ended March 31, 2023 have been prepared in accordance with applicable accounting principles; They offer, taken as a whole, the true image of the Equity, the financial situation and the results of Aedas Homes, S.A.; and the Individual Management Report includes a faithful analysis of the evolution and business results and of the position of Aedas Homes, S.A., together with the description of the main risks and uncertainties that they face.

The Members of the Board, in proof of compliance, sign this sheet:

Mr. Santiago Fernández Valbuena
Chairman

Mr. David Martínez Montero
Chief Executive Officer

D. Eduardo D'Alessandro Cishek
Consejero

Mr. Eduardo D'Alessandro Cishek
Board Member

D. Evan Andrew Carruthers
Consejero

D. Evan Andrew Carruthers
Board Member

D. Javier Lapastora Turpín
Consejero

Mr. Javier Lapastora Turpín
Board Member

D. Miguel Temboury Redondo
Consejero

Mr. Miguel Temboury Redondo
Board Member

Dña. Milagros Méndez Ureña
Consejera

Ms. Milagros Méndez Ureña
Board Member

Dña. Cristina Álvarez Álvarez
Consejera

Mrs. Cristina Álvarez Álvarez
Board Member

D. Francisco Javier Martínez-Piqueras
Barceló
Consejero

Mr. Francisco Javier Martínez-Piqueras
Barceló
Board Member

Madrid, 30 de mayo de 2023

Madrid, May 30th, 2023

Yo, Alfonso Benavides Grases, Secretario no consejero del Consejo de Administración, certifico la autenticidad de las firmas que anteceden de las personas cuyo nombre figura en la parte inferior de la firma correspondiente, siendo todos ellos miembros del Consejo de Administración de Aedas Homes, S.A.

I, Alfonso Benavides Grases, Non-Board Secretary of the Board of Directors, certify the authenticity of the foregoing signatures of the persons whose name appears in the lower part of the corresponding signature, all of whom are members of the Board of Directors of Aedas Homes, S.A.

Madrid, 30 de mayo de 2023

Madrid, May 30th, 2023

D. Alfonso Benavides Grases
Secretario del Consejo de Administración

D. Alfonso Benavides Grases
Secretary of the Board of Directors