Audit Report on Financial Statements
issued by an Independent Auditor

AEDAS HOMES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
March 31, 2024

Building a better
working world

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AEDAS HOMES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at March 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at March 31, 2024 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Measurement of inventories

Description	At March 31, 2024, the Group carried inventories at 1,487,006,760 euros, which mainly comprise land and sites, as well as various developments in progress and completed buildings that are being held for the purpose of selling the homes being built. The disclosures pertaining to these assets can be found in note 11 to the accompanying consolidated financial statements. As detailed in note 4.4, the Group's inventories are measured at their acquisition cost, grossed up primarily by the cost of any development works, related purchase costs, construction cost, and capitalized borrowing costs, or their estimated market value, if lower. At each reporting date, the parent's directors test these inventories for indications of impairment. Impairment losses are recognized when their carrying amount exceeds their recoverable amount. To determine the inventories recoverable amount, the parent's directors rely primarily on the appraisals provided by an independent expert in keeping with the valuation standards prescribed by the Royal Institution of Chartered Surveyors (RICS). The risk of the incorrect initial recognition of these assets, the incorrect capitalization of eligible costs and the possible impairment of these assets, as well as the materiality of the amounts involved, have led us to conclude that the measurement of the Group's inventories constitutes the key audit matter.
Our response	In this regard, our audit procedures included the following, among others: ▶ Understanding Group management´s processes to determine the inventories recoverable amount the inventory, including evaluation of the design and implementation of the relevant controls. ▶ Reviewing the purchase deeds for real estate assets and analyzing a sample of costs capitalized as an increase in inventories. ▶ Reviewing, in collaboration with our valuation experts, the valuation methodology used by the independent expert for a sample of the properties appraised by the latter, which encompassed a mathematical assessment of the model, an analysis of the projected cash flows, and a review of the discount rates used. ▶ Reviewing the disclosures included in the notes to the accompanying consolidated financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the parent company’s directors and is not an integral part of the consolidated financial statements.

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

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

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

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of AEDAS HOMES, S.A. and subsidiaries for the 2024 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of AEDAS HOMES S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Annual Report on the Remunerations of Directors have been incorporated by reference in the consolidated management report.

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

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

Additional report to the audit and control committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and control committee on May 29, 2024.

Term of engagement

The ordinary general shareholders' meeting held on July 20, 2023 appointed us as Group´s auditors for 3 years, commencing on March 31, 2024.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 2016.

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

(signed in the original version)

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

May 29, 2024

Aedas Homes, S.A. and subsidiaries

Consolidated financial statements for the year ended 31 March 2024 prepared under the International Financial Reporting Standards (IFRS) adopted by the European Union, Consolidated Management Report and Independent Auditor's Report

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

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024 AND 31 MARCH 2023

(Euros)

ASSETS	Note	31 Mar. 2024	31 Mar. 2023	EQUITY AND LIABILITIES	Note	31 Mar. 2024	31 Mar. 2023
NON-CURRENT ASSETS:				**EQUITY:**			
Intangible assets	**7**	**7,071,302**	**6,634,322**	**Capital**		**43,700,000**	**46,806,537**
Patents, licences and trademarks		2,486,878	2,486,878	Share capital		43,700,000	46,806,537
Software		3,883,876	3,139,282	**Share premium**		**421,568,843**	**478,534,502**
Other intangible assets		700,548	1,008,162	**Parent company reserves**		**(299,474,916)**	**(299,721,536)**
Property, plant and equipment	**8**	**7,423,683**	**8,298,792**	**(Own equity instruments)**		**(9,887,856)**	**(63,922,166)**
Land and buildings		6,135,680	6,507,113	**Retained earnings**		**8,811,315**	**2,144,748**
Plant and other PP&E		937,577	1,036,156	**Reserves at fully-consolidated companies**		**1,129,108**	**(4,610,861)**
PP&E in progress and prepayments		350,426	755,523	**Other shareholder contributions**		**740,071,256**	**740,071,256**
Investment properties	**9**	**7,070,806**	**7,828,733**	**Profit for the year attributable to equity holders of the parent**		**108,880,339**	**105,071,928**
Land		1,705,183	1,771,676	**(Interim dividend)**		**(97,044,905)**	**(43,508,905)**
Buildings		5,365,623	6,057,057	**Other equity instruments**		**12,767,064**	**8,236,447**
Non-current investments in group companies and associates	**10**	**94,496,883**	**12,856,893**	**Non-controlling interests**		**568,016**	**541,939**
Investments in associates		38,675,587	8,295,794	**Total equity**	**14**	**931,088,264**	**969,643,889**
Loans to associates		55,821,296	4,561,099				
Non-current financial assets	**10**	**5,590,551**	**1,750,994**				
Other non-current financial assets		5,590,551	1,750,994	**NON-CURRENT LIABILITIES:**			
Deferred tax assets	**17**	**6,921,747**	**5,304,792**	**Non-current borrowings**	**10 & 15**	**321,366,065**	**321,759,646**
Total non-current assets		**128,574,972**	**42,674,526**	Notes and other marketable securities		320,690,775	318,994,440
CURRENT ASSETS:				Other financial liabilities		675,290	2,765,206
Inventories	**11**	**1,487,006,760**	**1,610,671,024**	**Deferred tax liabilities**	**17**	**600,518**	**260,416**
Trade and other receivables	**12**	**70,843,322**	**52,205,744**	**Total non-current liabilities**		**321,966,583**	**322,020,062**
Trade receivables	10	42,833,776	41,149,759				
Trade receivables, associates	10 & 20	17,392,779	1,000,155	**CURRENT LIABILITIES:**			
Other receivables	10	689,147	712,844	**Current provisions**	**10 & 11**	**31,700,554**	**21,407,715**
Receivable from employees	10	26,854	1,588	**Development finance with long-term maturities**	**10 & 15**	**153,909,133**	**125,561,716**
Current tax assets	17	175,349	104,201	**Current borrowings**	**10 & 15**	**83,328,160**	**57,829,696**
Taxes receivable	17	9,725,417	9,237,197	Notes and other marketable securities		53,556,309	49,279,073
Current investments in group companies and associates	**20 & 10**	**11,982,651**	**1,007,341**	Bank borrowings		27,820,653	7,522,890
Loans to associates		11,982,651	1,007,341	Other financial liabilities		1,951,198	1,027,733
Other financial assets		-	-	**Trade and other payables**	**16**	**490,203,175**	**472,495,990**
Current financial assets	**10**	**8,981,691**	**3,558,315**	Trade payables		199,236,785	187,661,219
Other current financial assets		8,981,691	3,558,315	Payable for services received		18,557,803	9,426,962
Current prepayments and accrued income	**10**	**15,019,706**	**14,109,258**	Employee benefits payable		4,111,608	3,924,768
Cash and cash equivalents	**13**	**289,786,767**	**244,732,860**	Current tax liabilities	**17**	33,997,806	28,653,718
Cash		289,786,767	234,732,860	Taxes payable	**17**	72,235,598	48,068,853
Cash equivalents		-	10,000,000	Customer prepayments		162,063,575	194,760,470
Total current assets		**1,883,620,897**	**1,926,284,542**	**Total current liabilities**		**759,141,022**	**677,295,117**
TOTAL ASSETS		**2,012,195,869**	**1,968,959,068**	**TOTAL EQUITY AND LIABILITIES**		**2,012,195,869**	**1,968,959,068**

The accompanying notes 1 to 24 are an integral part of the consolidated balance sheet as at 31 March 2024

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED 31 MARCH 2024 AND 31 MARCH 2023

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue	**19.1 & 20**	**1,144,668,867**	**919,812,265**
Cost of sales	**11 & 19.2**	**(888,183,268)**	**(678,481,120)**
Revenue from the delivery of developments sold	**19.1**	949,541,472	884,559,342
Direct costs of developments sold		(726,975,534)	(648,630,877)
Gross profit from development		**222,565,938**	**235,928,465**
Gross margin on development		**23.4%**	**26.7%**
Revenue from land sales	**11 & 19.1**	185,749,185	30,182,000
Direct costs of land sales		(154,876,354)	(27,782,061)
Gross profit from land sales		**30,872,831**	**2,399,939**
Gross margin on land sales		**16.6%**	**8.0%**
Revenue from services	**19.1**	9,378,210	5,070,923
Direct costs of services provided		(6,331,380)	(2,068,182)
Gross profit from services		**3,046,830**	**3,002,741**
Gross margin on services		**32.5%**	**59.2%**
GROSS PROFIT		**256,485,599**	**241,331,145**
GROSS MARGIN		**22.4%**	**26.2%**
Marketing		(11,230,151)	(15,811,103)
Sales		(17,838,378)	(17,298,671)
Other direct development costs		(2,908,045)	(3,129,627)
Taxes related with developments		(11,086,352)	(8,980,055)
NET MARGIN		**213,422,673**	**196,111,689**
NET MARGIN, %		**18.6%**	**21.3%**
General expenses	**19.3**	(35,098,343)	(37,563,691)
General expenses - Share-based payment transactions	**19.3**	(6,521,701)	(4,771,761)
Other operating income		1,530,047	2,003,625
Other operating expenses		(440,043)	(269,902)
EBITDA	**19.5**	**172,892,633**	**155,509,960**
EBITDA MARGIN		**15.1%**	**16.9%**
Margin on strategic land			8,704,443
ADJUSTED EBITDA	**19.5**	**172,892,633**	**164,214,403**
ADJUSTED EBITDA MARGIN		**15.1%**	**17.9%**
Depreciation and amortisation	**7, 8 & 9**	(4,745,287)	(4,761,864)
Impairment of inventories	**11**	3,160,806	(1,261,520)
OPERATING PROFIT		**171,308,152**	**158,191,019**
Finance income	**20**	1,259,796	576,902
Finance costs - Bank borrowings, net of capitalised borrowing costs	**19.4**	(26,096,336)	(22,459,338)
Change in fair value of financial instruments		-	(505,459)
Exchange differences		(39)	(0)
NET FINANCE COST		**(24,836,579)**	**(22,387,895)**
Share of profit/(loss) of equity-accounted investees	**10**	417,957	1,548,619
PROFIT BEFORE TAX		**146,889,530**	**137,351,743**
Income tax	**17**	(37,920,709)	(32,074,172)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**108,968,821**	**105,277,571**
PROFIT FROM DISCONTINUED OPERATIONS		**-**	**-**
PROFIT FOR THE YEAR		**108,968,819**	**105,277,571**
Attributable to non-controlling interests		88,480	205,643
Attributable to equity holders of the parent		108,880,339	105,071,928
Basic earnings per share		2.49	2.24
Diluted earnings per share		2.53	2.42

The accompanying notes 1 to 24 are an integral part of the consolidated statement of profit or loss for the year ended 31 March 2024

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 MARCH 2024 AND 31 MARCH 2023

(Euros)

	Note	Year ended 31 March 2024	Year ended 31 March 2023
PROFIT FOR THE YEAR (I)	**3**	**108,968,819**	**105,277,571**
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)		**108,968,819**	**105,277,571**
Total recognised income and expense attributable to equity holders of the parent		108,880,339	105,071,928
Total recognised income and expense attributable to non-controlling interests		88,480	205,643

The accompanying notes 1 to 24 are an integral part of the consolidated statement of comprehensive income for the year ended 31 March 2024

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 MARCH 2024 AND 2023

(Euros)

	Capital (note 14.1)	Share premium (note 14.2)	Parent company reserves (note 14.4)	(Own equity instruments) (note 14.6)	Retained earnings	Reserves at fully-consolidated companies	Shareholder/owner contributions (note 14.7)	Profit for the year attributable to equity holders of the parent	(Interim dividend) (note 14.8)	Other equity instruments (note 14.9)	Non-controlling interests	TOTAL
OPENING BALANCE AS AT 1 APRIL 2022	**46,806,537**	**478,534,502**	**(299,735,041)**	**(55,868,955)**	**(10,995,576)**	13,519,644	**740,071,256**	**93,125,034**	**(36,153,300)**	**6,617,788**	**411,296**	**976,333,185**
Total recognised income and expense	-	-	-	-	-	-	-	**105,071,928**	-	-	**205,643**	**105,277,571**
Appropriation of prior-year earnings	-	-	-	-	**13,140,324**	**(15,326,237)**	-	**(93,125,034)**	**36,153,300**	-	-	**(59,157,647)**
Transactions with shareholders	-	-	**(52,180)**	**(8,053,211)**	-	-	-	-	**(43,508,905)**	-	-	**(51,614,296)**
Shares cancelled	-	-	-	-	-	-	-	-	-	-	-	-
Own share transactions (net)	-	-	(52,180)	(8,053,211)	-	-	-	-	-	-	-	(8,105,391)
Distribution of dividends and reimbursement of contributions	-	-	-	-	-	-	-	-	(43,508,905)	-	-	(43,508,905)
Consolidation scope and other changes	-	-	**65,685**	-	-	**(2,804,268)**	-	-	-	**1,618,659**	**(75,000)**	**(1,194,924)**
CLOSING BALANCE AS AT 31 MARCH 2023	**46,806,537**	**478,534,502**	**(299,721,536)**	**(63,922,166)**	**2,144,748**	**(4,610,861)**	**740,071,256**	**105,071,928**	**(43,508,905)**	**8,236,447**	**541,939**	**969,643,889**
Total recognised income and expense	-	-	-	-	-	-	-	**108,880,339**	-	-	**88,480**	**108,968,819**
Appropriation of prior-year earnings	-	-	-	-	**6,666,567**	**5,006,402**	-	**(105,071,928)**	**43,508,905**	-	-	**(49,890,047)**
Transactions with shareholders	**(3,106,537)**	**(56,965,659)**	**246,620**	**54,034,310**	-	-	-	-	-	-	-	**(5,791,266)**
Shares cancelled	(3,106,537)	(56,965,659)	-	60,072,196	-	-	-	-	-	-	-	-
Own share transactions (net)	-	-	246,620	(6,037,886)	-	-	-	-	-	-	-	**(5,791,266)**
Distribution of dividends and reimbursement of contributions	-	-	-	-	-	-	-	-	(97,044,905)	-	-	**(97,044,905)**
Consolidation scope and other changes	-	-	-	-	-	**733,560**	-	-	-	**4,530,617**	**(62,403)**	**5,201,744**
CLOSING BALANCE AS AT 31 MARCH 2024	**43,700,000**	**421,568,843**	**(299,474,916)**	**(9,887,856)**	**8,811,315**	**1,129,108**	**740,071,256**	**108,880,339**	**(97,044,905)**	**12,767,064**	**568,016**	**931,088,264**

The accompanying notes 1 to 24 are an integral part of the consolidated statement of changes in equity for the year ended 31 March 2024

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 MARCH 2024 AND 31 MARCH 2023

	Note	Year ended 31 March 2024	Year ended 31 March 2023
1. OPERATING ACTIVITIES			
Profit before tax		**146,889,530**	**137,351,743**
Adjustments for finance income/costs		**24,836,579**	**22,387,895**
Finance income		(1,259,796)	(576,902)
Finance costs	**19.d**	53,211,353	45,954,854
Borrowing costs capitalised in inventories	**11**	(27,115,017)	(23,495,516)
Change in fair value of financial instruments		-	505,459
Exchange differences		39	-
Share of profit/(loss) of associates		**(417,957)**	**(1,548,619)**
Operating profit		**171,308,152**	**158,191,019**
Depreciation and amortisation	**7, 8 & 9**	4,745,287	4,761,864
Impairment of inventories	**11**	(3,160,806)	1,261,520
ADJUSTED EBITDA		**172,892,633**	**164,214,403**
Other adjustments to profit		**(4,491,369)**	**(1,566,335)**
Provisions		6,861,803	1,967,495
Unrealised share of profit/(loss) of associates		417,957	1,548,619
Net decrease in other non-current assets less non-current liabilities		(11,771,129)	(1,985,211)
Other cash used in operating activities		**(52,377,609)**	**(46,786,912)**
Interest received		1,259,796	257,476
Dividends received		2,103,523	1,212,023
Interest paid		(26,528,251)	(31,183,179)
Income tax received/(paid)		(29,212,677)	(17,073,232)
Change in working capital (excluding land purchases/sales during the period)		**104,888,712**	**(17,657,063)**
(Increase)/decrease in inventories	**11**	111,439,862	35,798,904
(Increase)/decrease in trade receivables	**12**	(33,224,522)	34,592,415
Increase/(decrease) in trade payables	**16**	18,458,910	(3,366,632)
Net (increase)/decrease in other current assets less current liabilities	**10**	8,214,462	(84,681,750)
Change in working capital attributable to land purchases/sales during the period (*)	**11, 12 & 16**	**15,385,208**	**(121,465,159)**
Net cash flows from operating activities (1)	**15.2**	**236,297,575**	**(23,261,067)**
2. INVESTING ACTIVITIES			
Investments | disposals		**(91,232,537)**	**4,105,692**
Investments in group companies and associates		(168,008,767)	12,341,811
Investments in intangible assets	**7**	(2,522,212)	(2,600,312)
Investments in PP&E	**8**	(1,027,018)	(3,269,841)
Investments in other financial assets		(2,659,689)	(2,365,966)
Proceeds from the sale of investments in group companies and associates		82,985,149	-
Net cash flows from/(used in) investing activities (2)	**15.2**	**(91,232,537)**	**4,105,692**
3. FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments	**14.6**	**(5,791,266)**	**(9,891,379)**
Buyback of own equity instruments		(5,791,266)	(9,891,379)
Issue and repayment of financial liabilities	**15**	**52,715,088**	**133,327,786**
Issue of notes and other marketable securities		194,954,351	154,129,606
New financing obtained from banks		604,531,495	449,649,239
Redemption of notes and other marketable securities		(190,600,000)	(148,500,000)
Repayment of bank borrowings		(556,170,758)	(321,951,059)
Dividends and payments on other equity instruments		**(146,934,952)**	**(102,666,552)**
Dividends	**14.8**	(146,934,952)	(102,666,552)
Net cash flows (used in)/from financing activities (3)		**(100,011,130)**	**20,769,855**
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)		**45,053,948**	**4,711,718**
Cash and cash equivalents - opening balance	**13**	**244,732,860**	**240,021,141**
Cash and cash equivalents - closing balance	**13**	**289,786,767**	**244,732,860**

The accompanying notes 1 to 24 are an integral part of the consolidated statement of cash flows for the year ended 31 March 2024

(*) The change in working capital attributable to land purchases/sales during the period does not include the gross profit from land sales

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

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

The Parent is a Spanish-incorporated company. Its registered office is located in Madrid, at Paseo de la Castellana, 130. It is duly registered with the Madrid Companies Register.

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

The foregoing activities may also be performed in whole or in part on an indirect basis through ownership interests in other companies with similar corporate purposes. To that end, the Parent may acquire, administer and sell securities of all kinds, including but not limited to, shares, convertible bonds and unitholdings of any kind. Appendix I of these notes itemises the activities conducted by the subsidiaries of Aedas Homes, S.A.

The Group operates exclusively in Spain.

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

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

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

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

On 30 March 2020, the Parent's shareholders resolved, in general meeting and on the basis of a report from the Board of Directors, to change the Company's fiscal year to the 12 months elapsing between 1 April and 31 March of the following year, with the exception of the first fiscal year following the change, which ran from 1 January 2020 until 31 March 2020. The consolidated annual financial statements therefore correspond to the 12-month period elapsing between 1 April 2023 and 31 March 2024 (FY 2023/24).

As required under the ESEF reporting manual (ESMA32-60-254) developed by the European Securities and Markets Authority (ESMA), published on 18 December 2017, Appendix II provides the mandatory elements of the core taxonomy to be marked up for financial years beginning on or after 1 January 2020.

2. Basis of presentation of the consolidated financial statements

2.1 Basis of preparation

The consolidated financial statements of the Group comprising Aedas Homes, S.A. and its subsidiaries for the year ended 31 March 2024 were prepared from the accounting records of the Parent and the other companies comprising the Group (refer to Appendix I) in keeping with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The consolidated financial statements were prepared under the IFRS-EU in effect on the date of their issuance. They take into consideration all of the accounting principles and standards and measurement criteria that are mandatorily applicable under IFRS-EU such that they present fairly the Group's equity and financial position as at 31 March 2024 and its financial performance and the changes in its equity and cash flows, all on a consolidated basis, for the year then ended.

However, given that the accounting principles and measurement criteria used to prepare the Group's consolidated financial statements for the year ended 31 March 2024 may differ from those used by certain of the Group entities, the appropriate adjustments and reclassifications have been made upon consolidation in order to ensure the application of uniform principles and criteria and to align them with IFRS-EU.

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

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

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

- GROSS MARGIN: the difference between revenue from the sale of developments and provision of services and the cost of goods sold and services rendered. Notes 19.1 and 19.2 provide detailed information about the items included in those headings of the statement of profit or loss. The percentage GROSS MARGIN is calculated by dividing the absolute GROSS MARGIN by revenue.

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

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

- ADJUSTED EBITDA: EBITDA plus the margin on strategic land, understood as the gain derived from the restatement to fair value of sites acquired via the exchange of shareholdings in associates devoted to the management of strategic land in which the Group held a minority interest.

- Funds from operations (FFO): EBITDA plus another two headings comprising net cash flows from operating activities, namely: (i) other adjustments to profit (due largely to provisions, profits of associates and movements in non-current assets and liabilities); and (ii) other cash from/used in operating activities (due to interest, dividends and taxes paid/collected).

- Operating cash flow: FFO plus the changes in working capital as per the statement of cash flows, excluding cash flows related with buyers assuming their share of developer loans.

- Free cash flow (FCF): operating cash flow less the investments in intangible assets and property, plant and equipment included within cash flows used in investing activities.

2.2 Adoption of the International Financial Reporting Standards

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (IFRS-EU), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, that were effective as at 31 March 2024.

The consolidated financial statements were prepared on a historical cost basis, with the exception of certain assets and financial instruments which have been measured at their revalued amounts or fair values at year-end, as explained in the accounting policies section provided further below. As a general rule, historical cost values are based on the fair value of the consideration provided in exchange for goods and services.

The figures shown in the documents comprising these consolidated financial statements (consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and these notes) are mainly expressed in euros. However, for practical reasons, in order simplify certain disclosures, some of the figures provided in these notes are express in thousands or millions of euros.

a) Standards and interpretations approved by the European Union applied for the first time this year

The accounting standards used to prepare the accompanying consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended 31 March 2023, except for the following:

- IFRS 17 - Insurance contracts
- Insurance contracts - Initial application of IFRS 17 and IFRS 9 - Comparative information (Amendments to IFRS 17)
- Definition of accounting estimates (Amendments to IAS 8)
- Disclosure of accounting policies (Amendments to IAS 1 and the IFRS Practice Statement 2)
- Deferred tax related with assets and liabilities that arise in a single transaction (Amendments to IAS 12)
- International tax reform - Pillar Two Model Rules (Amendments to IAS 12)

These amendments have not had any impact on the Group’s consolidated financial statements.

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

The Group intends to apply the standards, interpretations and amendments issued by the IASB whose application is not mandatory in the European Union as at the date of authorising the accompanying consolidated financial statements for issue when they are effective, to the extent applicable to the Group.

As at the date of authorising these consolidated financial statements, the following standards, amendments and interpretations had been published by the IASB but were not yet mandatorily applicable:

Mandatory for annual reporting periods beginning on or after 1 January 2024:

- Presentation of financial statements: Classification of liabilities as current or non-current (Amendments to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Supplier finance agreements (Amendments to IAS 7 and IFRS 7)
- ~~Lack of exchangeability~~

Mandatory for annual reporting periods beginning on or after 1 January 2025:

- Lack of exchangeability (Amendments to IAS 21)

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

2.3 Functional and presentation currency

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

2.4 Responsibility for the information presented and estimates made

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

The Group's consolidated financial statements for the year ended 31 March 2024 make occasional use of estimates made by the executives of the Group and of its consolidated companies, later ratified by their respective directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations recognised therein. Essentially, those estimates refer to:

- The estimation of the net realisable value of the Group's inventories: at year-end, the Group measured the realisable value of its inventories, understood as their estimated sale price less all of the estimated costs necessary to complete their construction. Their fair value was determined on the basis of appraisals performed by independent experts. Savills Valoraciones y Tasaciones, S.A.U. appraised the Group's real estate asset portfolio as at 31 March 2024 (without considering prepayments to suppliers). The assets were appraised using the 'market value' assumption, in keeping with the Valuation - Professional Standards and Guidance notes published by Great Britain's Royal Institution of Chartered Surveyors (RICS) (note 11).

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

Although these estimates were made on the basis of the best information available at 31 March 2024 regarding the facts analysed, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with IAS 8, recognising the effects of the change in estimates in the related consolidated statement of profit or loss.

2.5 Basis of consolidation

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

The universe of companies included in the consolidation scope in the years ended 31 March 2024 and 31 March 2023 is itemised in Appendix I.

Subsidiaries

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

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

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

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

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

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

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

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

Investments in associates and joint ventures

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

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

Reporting date uniformity adjustments

The accompanying consolidated financial statements cover the same reporting period and are issued as of the same reporting date as the entity required to consolidate, i.e., AEDAS Homes, S.A. Specifically, they relate to the 12 months beginning on 1 April 2023 and ended on 31 March 2024.

All of the Group companies share the same reporting date, i.e., 31 March, except for Winslaro ITG, S.L., Varía Acr Móstoles Fuensanta, S.L., Espacio Áurea, S.L., Allegra Nature, S.L., Residencial Henao, S.L., Áurea Etxabakoitz, S.L., Residencial Ciudadela Uno, S.L., Nature Este, S.L., Domus Avenida, S.L., Servicios Inmobiliarios Residencial en Venta JV2, S.L.U, BTS Servicios Inmobiliarios JV1, S.L., Java Investments Holding S.A.R.L., Aedas KS Fonsalía, S.L.U., Aedas KS Santa Clara, S.L.U., Aedas KS Levante, S.L.U. and Aedas KS Iberia, S.L.U., whose reporting date is 31 December.

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

2.6 Goodwill

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

2.7 Comparative information

Comparative information for the year ended 31 March 2023 is presented alongside the information for the year ended 31 March 2024 in respect of the consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

3. Appropriation of profit

The appropriation of profit for the year ended 31 March 2024 agreed by the Parent's directors at a meeting held on 29 May 2024, which is pending ratification at the Annual General Meeting, is as follows:

Basis of appropriation:

Profit for the year: 107,462,395 euros

Appropriation to:

DIVIDENDS: in the amount (before withholding tax) equal to the sum of the following two amounts:

i. 97,044,905 euros (interim dividend) corresponding to an interim dividend against profit for the year ended 31 March 2024 equivalent to 2.25 euros per share times the number of shares outstanding other than own shares on the date it was approved by the Board of Directors, specifically 16 March 2024, in keeping with the statement issued at the time, as required under company law, to substantiate the existence of sufficient liquidity to distribute that dividend against earnings for the year ended 31 March 2024. The interim dividend was paid on 26 March 2024.

ii. The amount obtained by multiplying 0.24 euros per share by the number of shares outstanding other than own shares on the record date (final dividend). The final dividend will be paid to the Company's shareholders on 31 July 2024.

The final dividend will be paid in cash, at the amount per share and on the date indicated above, through the entities participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) where the shareholders' shares are on deposit.

The Board of Directors is empowered, and specifically has the power to delegate its powers in one or more of its members, to perform as many acts as may be needed or advisable to make this distribution, specifically including but not limited to setting the dividend payment date and designating the payment agent.

RETAINED EARNINGS: This amount will be calculated by subtracting the amount to be appropriated to dividends from the basis of appropriation.

Total appropriation: 107,462,395 euros

This proposed appropriation of profit authorised by the Board of Directors for submission for ratification at the Annual General Meeting includes the payment of a final dividend of 0.24 euros times the number of shares outstanding other than own shares on the record date. As a result, assuming that on the date of distributing the proposed final dividend the number of own shares of the Company is the same as at 31 March 2024 (i.e., 583,260 shares), the maximum dividend payable (interim plus final dividend) would be 107,392,923 euros, which implies appropriating 69,472 euros to retained earnings.

4. Recognition and measurement standards

The following accounting principles, policies and measurement criteria were used to prepare the Group's consolidated financial statements for the year ended 31 March 2024:

4.1 Intangible assets

Intangible assets are identifiable non-monetary assets, without physical substance, which arise as a result of a legal transaction or are developed by the consolidated companies. The Group only recognises assets whose cost can be estimated reasonably objectively and from which the consolidated companies expect to obtain future economic benefits.

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

a) Software

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

b) Trademarks

This account recognises the costs incurred to acquire trademarks that have not been generated internally. Their estimated useful life is indefinite.

c) Other intangible assets

This heading recognises the amounts incurred by the Group under the management contracts acquired from Áurea (note 6), which are being amortised over the useful life of the developments.

4.2 Property, plant and equipment

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

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

The costs of maintaining and repairing the various items of property, plant and equipment are charged to the statement of profit or loss in the year incurred. On the other hand, amounts spent to upgrade these assets that increase their productivity, capacity or efficiency or lengthen their useful lives are capitalised.

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

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

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

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

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

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

Impairment of intangible assets and property, plant and equipment

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

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

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

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

4.3 Investment properties

In lease agreements with an option to purchase the property in which the Group acts as lessor and considers it has not transferred substantially all the risks and rewards incidental to ownership of the leased properties, the Group recognises the assets as investment properties, which it depreciates over their useful lives (50 years, or 2% per annum), recognising the rental income as it accrues. If the purchase option is exercised, the Group reclassifies the property to inventories at its carrying amount, recognising a gain or loss on the sale at the difference between the purchase option exercise price (net of the premium and the percentage of rent paid as stipulated in the lease) and the carrying amount of the property.

4.4 Inventories

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

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

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

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

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

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

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

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

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

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

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

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

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

Given the uncertainty intrinsic in any forward-looking information, actual results may differ from the projections used to estimate the recoverable amount of the Group's inventories, which could make it necessary to change these estimates (upwards or downwards) in future years; as disclosed in note 2.4, any such changes would be applied prospectively.

As likewise disclosed in note 2.4, the Group's assets (except for those covered by a pre-sale agreement and prepayments to suppliers) have been valued by an independent expert and that expert's appraisal values were used as inputs in testing its inventories for impairment.

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

4.5 Trade receivables

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

To calculate impairment on its trade receivables as at 31 March 2024, the Group used the simplified approach prescribed in IFRS Financial Instruments (lifetime expected credit losses). However, the Group has not recognised any impairment allowances against its trade receivables in its consolidated financial statements, due mainly to the fact that the agreements it enters into with its customers can be terminated if they breach their payment terms.

4.6 Customer prepayments

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

4.7 Financial instruments

a) Financial assets

Financial assets are initially recognised at fair value, plus or minus, in the case of financial assets not measured at fair value through profit or loss, the transaction costs directly attributable to their acquisition or issuance. Notwithstanding the foregoing, it measures its trade receivables at their transaction price if they do not contain a significant financing component.

For subsequent measurement purposes, the financial assets held by the Group companies are mainly classified as financial assets at amortised cost, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are derecognised by the various Group companies when the contractual rights to the cash flows from the financial asset expire or substantially all the risks and rewards of ownership of the financial asset are transferred.

At each reporting date, the Parent's directors test the Group's financial assets for impairment, recognising allowances for expected credit losses.

b) Financial liabilities and equity

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

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

c) Equity instruments

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

d) Bank loans

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

e) Trade payables

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

4.8 Own shares

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

4.9 Provisions and contingent liabilities

In preparing the consolidated financial statements, the Parent's directors distinguish between:

a. Provisions: liabilities recognised to cover a present obligation arising from past events, of uncertain timing and/or amount, 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 whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control.

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

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

Provisions (which are measured using the best information available regarding the outcome of the event giving rise to their recognition and re-estimated at each reporting date) are used to meet the specific obligations for which they were recognised originally, and are reversed, fully or partially, when the obligations no longer exist or decrease.

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 Group is legally exempt from having to settle, in which case the reimbursement is taken into consideration in estimating the amount of the provision, if any.

Provisions for the completion of works

The Group recognises provisions for the completion of works when the construction work is complete at the amount of invoices pending receipt for the development in question, plus estimated after-sales costs, based on prior experience.

There were no contingent liabilities, contingent assets or penalties for delays in delivering houses at either reporting date, other than as described in note 18.

4.10 Income tax

Consolidated income tax expense is recognised in the consolidated statement of profit or loss, except when it relates to transactions recognised directly in equity, in which case the related tax is likewise recognised in equity.

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

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

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

However:

1. Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised; and

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

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

On 27 December 2017, the Board of Directors resolved to apply the tax consolidation regime (contemplated in article 55 *et seq.* of the Spanish Corporate Income Tax - Law 27/2014) in 2018 and thereafter, designating Aedas Homes, S.A. as the parent of the tax group. The tax group is made up of its parent, Aedas Homes S.A., and its subsidiaries: Aedas Homes Opco, S.L.U, Aedas Homes Living, S.L.U, Falcon Desarrollos Inmobiliarios, SLU, Aedas Homes Canarias S.L.U, Damalana Servicios y Gestiones, S.L.U, Servicios Inmobiliarios Mauna Loa, S.L.U, Egon Asset Development, S.L.U, Aedas Homes Rental, S.L.U, Aedas Homes Servicios Inmobiliarios, S.L.U, Live Virtual Tours, S.L.U. and SPV Spain 2, S.L.

4.11 Income and expenses

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. It uses the following steps to perform this analysis:

- Identifying the contract.
- Identifying the contract performance obligations.
- Determining the transaction price.
- Allocating the transaction price to each of performance obligations.
- Recognising revenue when the performance obligations are satisfied.

Given that its contracts with its customers do not tend to vary significantly, as permitted in the applicable accounting rules, the Group accounts for them collectively.

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

Revenue does not include any discounts given, VAT or other taxes related with the sales.

Expenses are recognised on an accrual basis.

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

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

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

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

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

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

4.12 Borrowing costs

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

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

4.13 Operating profit

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

4.14 Termination benefits

In accordance with prevailing legislation, the Group is required to pay benefits to employees whose contracts are terminated under certain circumstances. Termination benefits that can be reasonably estimated are recognised as an expense in the year in which the redundancy decision is taken.

No provision for termination benefits has been recognised in the accompanying consolidated financial statements as the Group is not currently contemplating any redundancies.

4.15 Director and key management personnel remuneration

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

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

4.16 Environmental assets and liabilities

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

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

4.17 Related party transactions

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

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

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

4.18 Distinction between current and non-current

The following assets are classified as current assets: those associated with the normal operating cycle (which is generally considered to be one year); other assets that are expected to mature, be sold or realised within 12 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. Note 11 breaks down the Group's inventories between short-cycle and long-cycle inventories.

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. Note that the borrowings used to finance the Group's inventories is considered debt associated with the normal operating cycle and therefore classified as current liabilities (note 15).

4.19 Business combinations

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

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

The cost of a business combination is the aggregate of:

- The acquisition-date fair values of the assets received, the liabilities incurred or assumed and any equity instruments issued.

- The fair value of any contingent consideration that depends on future events or delivery of pre-determined conditions.

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

In the exceptional event of a gain on a bargain purchase, the gain is recognised in the statement of profit or loss.

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

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

4.20 Share-based payment transactions

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

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

4.21 Leases

The Group recognises in its consolidated balance sheet the assets and liabilities deriving from all of the lease agreements in which it acts as lessor (with the exception of short-term leases and leases of low-value assets) on the basis of contracts, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease term.

The Group's lease agreements do not include dismantling or restoration obligations.

Right-of-use assets are presented in a separate line item on the consolidated balance sheet.

4.22 Segment reporting

The Group has not defined any operating or geographical segments since its business consists almost exclusively of property development in Spain.

4.23 Investments in associates

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

5. Earnings per share

5.1 Basic earnings per share

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

Accordingly:

	Euros	
	FY 2023/24	FY 2022/23
Profit/(loss) for the period attributable to equity holders of the parent	108,880,339	105,071,928
Number of shares outstanding (note 14)	43,700,000	46,806,537
Basic earnings per share	**2.49**	**2.24**

5.2 Diluted earnings per share:

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

As at 31 March 2024, the Parent held 583,260 own shares (31 March 2023: 3,305,632 shares) and had no other equity instruments with a potential dilutive effect, implying diluted earnings per share in FY 2023/24 of 2.53 euros (FY 2022/23: 2.42 euros).

6. Changes in the Group's composition

As at 31 March 2024, the Company was the parent of a group of companies. Appendix I itemises the Group companies consolidated by the Parent and provides their salient information as at 31 March 2024, before making the corresponding uniformity adjustments, as appropriate, to their separate financial statements in order to align them with IFRS-EU. The figures disclosed in Appendix I were provided by the Group entities and their equity positions are those stated in their accounting records as of the reporting date.

Below is a description of the main movements in the Parent's equity interests in its subsidiaries and associates during the year ended 31 March 2024:

- On 29 February 2024, Aedas Homes S.A. acquired 49.9% (equivalent to 2,612,761 shares) of Java Investments Holdings, S.A.R.L for 2,612,761 euros, as set down in the capital increase deed notarised by Edouard Delosch. Previously, on 23 January 2024, Java Investments Holdings, S.A.R.L. had acquired 100% of the entities currently named Aedas KS Levante, S.L., Aedas KS Iberia, S.L., Aedas KS Fonsalía, S.L. and Aedas KS Santa Clara, S.L. As a result, following its investment in Java Investments Holdings, S.A.R.L., Aedas Homes, S.A. became an indirect shareholder in those companies.

- On 25 September 2023, Aedas Homes Servicios Inmobiliarios, S.L.U. incorporated a company called BTS Servicios Inmobiliarios JV1, S.L., as set down in a deed notarised by Francisco Javier Monedero San Martín (entry #2,320 of his official protocol). Subsequently, Aedas Homes S.A. acquired 100% of that company, as set down in the share purchase agreement recorded by that same notary on 11 March 2024 (entry #1,077 of his protocol). On 20 March 2024, BTS Servicios Inmobiliarios JV1, S.L. agreed to increase its share capital in order to bring in new shareholders. As a result, Aedas Homes, S.A. diluted its shareholding to 24.5% (recorded in a deed by that same notary under entry #1,176 of his protocol). BTS Servicios Inmobiliarios JV1, S.L. was registered with the Madrid Companies Register on 16 November 2023 (Tome 45,891, Folio 134, Entry No. 1, Sheet M-806016).

- On 25 September 2023, Aedas Homes Servicios Inmobiliarios, S.L.U. incorporated a company called Servicios Inmobiliarios Residencial en Venta JV2, S.L., as set down in a deed notarised by Francisco Javier Monedero San Martín (entry #2,321 of his official protocol).

- On 15 March 2024, the board of directors of Live Virtual Tours, S.L., in light of that investee’s business performance, decided to liquidate the company's assets and liabilities in an orderly fashion so as to then propose its formal liquidation to its sole shareholder, namely Aedas Homes, S.A. That decision will be ratified once all of that investee’s assets have been collected and its liabilities settled, in keeping with the dissolution and simultaneous liquidation procedure.

Below is a description of the main movements in the Parent's equity interests in its subsidiaries and associates during the year ended 31 March 2023:

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

- On 23 June 2022, Aedas Homes, S.A., in its capacity as sole shareholder of Aedas Homes Opco, S.L.U., resolved to merge eight subsidiaries of Aedas Homes Opco, S.L.U. (Proyectos Inmobiliarios Atria Madrid, S.L.U., Domus Aedas Residencial, S.L.U., Aedas Este, S.L.U. (formerly, Allegra Este, S.L.U.), Proyectos Balmes 89, S.L.U., Aedas Mutilva Promoción S.L.U. (formerly, Áurea Mutilva Promoción, S.L.U.), Proyectos Inmobiliarios Lucida Navarra, S.L.U., Spv Reoco 15, S.L.U. and Proyectos Inmobiliarios Algedi Madrid, S.L.U.), together, the "Transferors", into their parent, Aedas Homes Opco, S.L.U. (“Transferee”). The agreement was notarised on 12 September 2022 by Francisco Javier Monedero San Martín (entry #2,243 of his protocol) and filed with the Madrid Companies Register on 11 November 2022.

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

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

- On 8 February 2023, Aedas Homes Opco, S.L.U. exchanged its 10% interest in Urbania Lamatra II, S.L. for land in Sánchez Blanca (Malaga), duly exercising an exchange right held under the related shareholder agreement (note 20).

- On 23 March 2023, Aedas Homes Opco, S.L.U. exchanged its 25% interest in Servicios Inmobiliarios Licancabur, S.L. for land in Los Berrocales (Madrid), duly exercising an exchange right held under the related shareholder agreement (note 20).

7. Intangible assets

The reconciliation of the opening and closing balances under this heading in the years ended 31 March 2024 and 2023:

	Euros				
	Software	Intangible asset prepayments	Trademarks	Other intangible assets	Total
Cost					
Balance as at 1 April 2023	6,538,638	688,048	2,486,878	1,399,355	11,112,919
Additions	2,509,712	42,915	-	-	2,552,627
Amounts derecognised	-	(30,415)	-	(236,795)	(267,210)
Transfers	-	-	-	-	-
Balance as at 31 March 2024	**9,048,350**	**700,548**	**2,486,878**	**1,162,560**	**13,398,336**
Accumulated amortisation:	-	-	-	-	-
Balance as at 1 April 2023	(3,399,356)	-	-	(1,079,241)	(4,478,597)
Additions	(1,765,118)	-	-	(83,319)	(1,848,437)
Amounts derecognised	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 March 2024	**(5,164,474)**	**-**	**-**	**(1,162,560)**	**(6,327,034)**
Carrying amount as at 31 March 2024	**3,883,876**	**700,548**	**2,486,878**	**-**	**7,071,302**

	Euros				
	Software	Intangible asset prepayments	Trademarks	Other intangible assets	Total
Cost					
Balance as at 1 April 2022	4,381,865	244,489	2,486,878	1,399,355	8,512,587
Additions	2,156,773	443,559	-	-	2,600,332
Business combination (note 6)	-	-	-	-	-
Amounts derecognised	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 March 2023	**6,538,638**	**688,048**	**2,486,878**	**1,399,355**	**11,112,919**
Accumulated amortisation:	-	-	-	-	-
Balance as at 1 April 2022	(2,086,949)	-	-	(433,646)	(2,520,595)
Additions	(1,312,407)	-	-	(645,595)	(1,958,002)
Amounts derecognised	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 March 2023	**(3,399,356)**	**-**	**-**	**(1,079,241)**	**(4,478,597)**
Carrying amount as at 31 March 2023	**3,139,282**	**688,048**	**2,486,878**	**320,114**	**6,634,322**

The main additions in both years related to software developed by third parties to speed up and improve the Group's administrative and business processes to make them more efficient. The amounts recognised under “Intangible asset prepayments” related to investments in software under development.

No items of intangible assets had been pledged as collateral at either 31 March 2024 or 31 March 2023.

At 31 March 2024, the original cost of fully amortised intangible assets still in use was 2,651,480 euros (31 March 2023: 1,709,088 euros).

8. Property, plant and equipment

The reconciliation of the opening and closing balances under this heading in the years ended 31 March 2024 and 2023:

	Euros							
	Buildings	Plant	Other facilities	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	Total
Cost								
Balance as at 1 April 2023	3,560,209	16,449	73,370	768,086	848,768	91,889	755,523	6,114,294
Additions	277,527	-	-	9,608	58,744	3,172	1,310,845	1,659,896
Amounts derecognised	-	-	-	-	(20)	-	-	(20)
Transfers	1,581,061	-	-	134,880	-	-	(1,715,941)	-
Balance as at 31 March 2024	**5,418,797**	**16,449**	**73,370**	**912,574**	**907,492**	**95,061**	**350,427**	**7,774,170**
Accumulated depreciation:								
Balance as at 1 April 2023	(963,757)	(9,610)	(51,452)	(203,606)	(638,319)	(77,600)	-	(1,944,344)
Additions	(757,601)	(5,483)	(8,364)	(87,106)	(84,597)	(10,208)	-	(953,359)
Amounts derecognised	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	**(1,721,358)**	**(15,093)**	**(59,816)**	**(290,712)**	**(722,916)**	**(87,808)**	**-**	**(2,897,703)**
Carrying amount as at 31 March 2024	**3,697,439**	**1,356**	**13,554**	**621,862**	**184,576**	**7,253**	**350,427**	**4,876,467**

	Euros							
	Buildings	Plant	Other facilities	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	Total
Cost								
Balance as at 1 April 2022	983,875	16,449	76,943	430,834	736,517	84,717	547,131	2,876,466
Additions	976,913	-	11,000	319,935	135,289	8,493	1,828,159	3,279,789
Business combination (note 6)	-	-	-	-	-	-	-	-
Amounts derecognised	-	-	(14,573)	(3,029)	(23,038)	(1,321)	-	(41,961)
Transfers	1,599,421	-	-	20,346	-	-	(1,619,767)	-
Balance as at 31 March 2023	**3,560,209**	**16,449**	**73,370**	**768,086**	**848,768**	**91,889**	**755,523**	**6,114,294**
Accumulated depreciation:								
Balance as at 1 April 2022	(394,993)	(4,112)	(54,407)	(138,591)	(562,239)	(65,372)	-	(1,219,714)
Additions	(568,764)	(5,498)	(8,699)	(65,015)	(92,458)	(13,294)	-	(753,728)
Amounts derecognised	-	-	11,654	-	16,378	1,066	-	29,098
Balance as at 31 March 2023	**(963,757)**	**(9,610)**	**(51,452)**	**(203,606)**	**(638,319)**	**(77,600)**	**-**	**(1,944,344)**
Carrying amount as at 31 March 2023	**2,596,452**	**6,839**	**21,918**	**564,480**	**210,449**	**14,289**	**755,523**	**4,169,950**

The additions in both years mainly reflected the acquisition of computer equipment and investments in new offices.

At 31 March 2024, the original cost of fully depreciated property, plant, and equipment still in use was 1,079,867 euros (31 March 2023: 829,779 euros).

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

No item of property, plant and equipment had been pledged as collateral at either 31 March 2024 or 31 March 2023.

The Group had no contractual commitments for the purchase of property, plant and equipment at either reporting date. All of the Group’s property, plant and equipment was located in Spain at both reporting dates.

Note that property, plant and equipment includes right-of-use assets in the amount of 2,547,216 euros at 31 March 2024 (31 March 2023: 4,128,842 euros). Additional disclosures relative to the Group's lease assets and liabilities are provided below:

	Right-of-use assets			Lease liabilities
	Buildings	Plant and other PP&E	TOTAL	
Balance as at 1 April 2022	**1,540,535**	**270,877**	**1,811,412**	**1,861,133**
Additions	3,979,515	81,317	4,060,832	4,060,832
Depreciation	(1,609,718)	(134,013)	(1,743,731)	-
Interest expense	-	-	-	190,961
Impact of lease modifications - Other adjustments	329	-	329	329
Lease payments	-	-	-	(1,886,095)
Balance as at 31 March 2023	**3,910,661**	**218,181**	**4,128,842**	**4,227,160**
Additions	-	-	-	-
Depreciation	(1,472,421)	(109,206)	(1,581,627)	-
Interest expense	-	-	-	148,601
Impact of lease modifications - Other adjustments	-	-	-	-
Lease payments	-	-	-	(1,566,314)
Balance as at 31 March 2024	**2,438,240**	**108,975**	**2,547,215**	**2,809,447**

During the year ended 31 March 2024, the Group recognised 630,757 euros of expenses related with short-term leases and leases over low-value assets (FY 2022/23: 429,347 euros).

Of total lease liabilities (excluding interest expense) as at 31 March 2024, a total of 2,072,666 euros mature within one year from the reporting date and 588,180 euros mature between one and five years (31 March 2023: 1,566,314 euros matured within one year and 2,660,846 matured between one and five years). The maturity schedule as at 31 March 2024 is provided below:

	31 Mar. 2024
31 Mar. 2025	2,078,137
31 Mar. 2026	296,544
31 Mar. 2027	261,985
31 Mar. 2028	24,735
31 Mar. 2029	4,602
31 Mar. 2030	315
Total	**2,666,317**

9. Investment properties

The reconciliation of the movements under this heading during the years ended 31 March 2024 and 31 March 2023:

	Euros		
	Land	Buildings	Total
Cost			
Balance as at 1 April 2023	1,771,677	6,383,324	8,155,001
Additions	-	-	-
Amounts derecognised	-	-	-
Transfers of inventories to investment property	-	66,493	66,493
Transfers of investment property to inventories - exchange of deeds	(66,494)	(668,359)	(734,853)
Balance as at 31 March 2024	**1,705,183**	**5,781,458**	**7,486,641**
Accumulated depreciation:			
Balance as at 1 April 2023	-	(326,268)	(326,268)
Additions	-	(89,568)	(89,568)
Amounts derecognised	-	-	-
Balance as at 31 March 2024	**-**	**(415,836)**	**(415,836)**
Carrying amount as at 31 March 2024	**1,705,183**	**5,365,622**	**7,070,806**

	Euros		
	Land	Buildings	Total
Cost			
Balance as at 1 April 2022	1,175,970	4,825,307	6,001,277
Additions	-	-	-
Amounts derecognised	-	-	-
Transfers of inventories to investment property	998,044	3,090,827	4,088,871
Transfers of investment property to inventories - exchange of deeds	(402,337)	(1,532,810)	(1,935,147)
Balance as at 31 March 2023	**1,771,677**	**6,383,324**	**8,155,001**
Accumulated depreciation:			
Balance as at 1 April 2022	-	(60,082)	(60,082)
Additions	-	(298,768)	(298,768)
Amounts derecognised	-	32,582	32,582
Balance as at 31 March 2023	**-**	**(326,268)**	**(326,268)**
Carrying amount as at 31 March 2023	**1,771,677**	**6,057,056**	**7,828,733**

The transfers of inventories to investment properties in both years related to homes developed by Group companies that had been rented out under leases with purchase options.

All of the Group’s investment properties were located in Spain at 31 March 2024 and 31 March 2023.

10. Current and non-current financial assets and liabilities

The breakdown of the Group's financial assets and liabilities at 31 March 2024 and 2023 is provided in the table below:

	Euros			
	31 Mar. 2024		31 Mar. 2023	
	Non-current	Current	Non-current	Current
Equity investments in associates (note 20)	38,675,587	-	8,295,794	-
Loans to associates	55,821,296	11,982,651	4,561,099	1,007,341
Guarantees and deposits extended	5,590,551		1,750,994	-
Trade receivables (note 12)	-	42,833,776	-	41,149,759
Trade receivables, associates (note 12)	-	17,392,779	-	1,000,155
Other receivables (note 12)	-	689,147	-	712,844
Receivable from employees (note 12)	-	26,854	-	1,588
Current financial assets	-	8,981,691	-	3,558,315
Current provisions	-	(31,700,554)	-	(21,407,715)
Borrowings (note 15)	(321,366,065)	(83,328,160)	(321,759,646)	(57,829,697)
Bank borrowings due in the long term (note 15)	-	(153,909,133)	-	(125,561,716)
Trade and other payables (note 16)	-	(199,236,785)	-	(187,661,218)
Payable for services received (note 16)	-	(18,557,803)	-	(9,426,962)
Employee benefits payable (note 16)	-	(4,111,608)	-	(3,924,768)
Customer prepayments (note 16)	-	(162,063,575)	-	(194,760,470)
Current prepayments and accrued income	-	15,019,706	-	14,109,258
Total	**(221,278,630)**	**(555,981,014)**	**(307,151,759)**	**(539,033,286)**

- "Current financial assets" on the accompanying consolidated balance sheet include fixed-term deposits that mature less than one year from the reporting date. Of the total term deposits, 3,656,683 euros were pledged to secure the guarantees and sureties provided to home buyers at 31 March 2024 (2,472,351 euros at 31 March 2023).

- “Loans to associates” in the consolidated financial statements mainly includes loans provided to entities belonging to the Java Investment Holding S.L.R.L. group, specifically to the following companies: Aedas KS Fonsalía, S.L.U., Aedas KS Santa Clara, S.L.U., Aedas KS Levante, S.L.U. and Aedas KS Iberia, S.L.U.

- At 31 March 2024, the Group recognised current provisions totalling 31,700,554 euros, of which 29,073,540 euros corresponded to provisions for the completion of works and 623,817 euros corresponded to provisions for lawsuits (21,407,715 euros at 31 March 2023, of which 20,783,898 euros related to the provision for works completion and 623,817 euros to coverage of lawsuits).

- “Investments in associates” presents the Group’s equity investments in associates and investees under joint control which are accounted for using the equity method. The following tables provide summarised financial information for the Group’s investments in associates at 31 March 2024 and 2023:

-

31 March 2024

	Euros														
	Year ended 31 March 2024														
	WINSLARO ITG, S.L.	Varía Acr Móstoles Fuensanta, S.L.	ESPACIO ÁUREA, S.L.	ALLEGRA NATURE, S.L.	RESIDENCIAL HENAO, S.L.	ÁUREA ETXABAKOITZ, S.L.	RESIDENCIAL CIUDADELA UNO, S.L.	NATURE ESTE, S.L. **(*)**	JAVA INVESTMENTS HOLDINGS, S.A.R.L	AEDAS KS FONSALÍA, S.L.U. **(*)**	AEDAS KS SANTA CLARA, S.L.U. **(*)**	AEDAS KS LEVANTE, S.L.U. **(*)**	AEDAS KS IBERIA, S.L.U. **(*)**	BTS SERVICIOS INMOBILIARIOS JV1, S.L.	SERVICIOS INMOBILIARIOS RESIDENCIAL EN V
Group's share of the associates' balance sheet items															
Non-current assets	1,116,566	-	-	-	-	6,302	339,125	40,145	142,727,150	-	-	-	-	-	-
Current assets	43,602,146	1,315,435	2,612,085	1,337,432	495,818	329,383	108,621	2,859,484	699,515	55,135,439	72,433,217	36,595,893	48,570,883	30,567,777	2,896
Non-current liabilities	28,000,333	-	55,931	-	-	-	-	-	84,438,215	-	-	-	-	9,044,928	-
Current liabilities	7,999,480	1,087,302	1,911,810	777,966	469,983	230,521	625	2,060,283	698,580	40,000,877	53,474,160	30,235,637	34,688,935	1,728,906	-
Equity	**8,718,899**	**228,134**	**644,344**	**559,467**	**25,834**	**105,165**	**447,121**	**839,346**	**58,289,870**	**15,134,562**	**18,959,057**	**6,360,256**	**13,881,947**	**19,793,943**	**2,896**
Ownership interest attributable to the Parent	*20%*	*30%*	*50%*	*20%*	*22.50%*	*14.81%*	*17.13%*	*17.13%*	*49.90%*	*49.90%*	*49.90%*	*49.90%*	*49.90%*	*24.50%*	*100.00%*
Group's share of associates' equity	1,743,780	68,440	322,172	111,893	5,813	15,575	76,592	143,780	29,086,645	7,552,146	9,460,570	3,173,768	6,927,092	4,849,516	2,896
Goodwill	332	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment to fair value (business combination - note 6)	-	11,628	576,571	696,768	257,032	165,998	175,414	-	-	-	-	-	-	-	-
Carrying amount of Group's investments	**1,744,112**	**80,068**	**898,743**	**808,661**	**262,844**	**181,410**	**715,463**	**143,780**	**29,086,645**	**7,552,146**	**9,460,570**	**3,173,768**	**6,927,092**	**4,849,641**	**2,896**
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	(348,009)	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-	-	-	-	-	-	-	67	20,000	-
Other operating expenses	(18,248)	(2,363)	-	(1)	-	0.10	(314)	(2,400)	(7,924)	(1,045,000)	(184,298)	(402,896)	(842,553)	(1,293,552)	(104)
Finance income	-	-	-	-	-	-	-	-	345,489	18,728	-	742,438	302,900	8,725	-
Finance costs	(572,171)	-	-	-	-	-	-	-	(333,142)	(129,713)	(21,759)	(786,063)	(391,561)	(152,993)	-
Profit before tax	(590,419)	(2,363)	-	(1)	-	0.10	(314)	(2,400)	(343,586)	(1,155,985)	(206,057)	(446,521)	(931,147)	(1,417,820)	(104)
Income tax	147,605	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year from continuing operations	**(442,815)**	**(2,363)**	**-**	**(1)**	**-**	**0.10**	**(314)**	**(2,400)**	**(343,586)**	**(1,155,985)**	**(206,057)**	**(446,521)**	**(931,147)**	**(1,417,820)**	**(104)**
Group's share of associates' profit/(loss) for the period	**(88,563)**	**(709)**	**-**	(0.18)	**-**	**0.01**	**(54)**	**(411)**	**(171,449)**	**(576,836)**	**(102,822)**	**(222,814)**	**(464,642)**	**(347,366)**	**(104.18)**
Gain/(loss) on loss of significant influence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The gain or loss generated by the loss of significant influence over any of these investees is recognised under "Margin on strategic land" in the consolidated statement of profit or loss (notes 6 and 20). None of the above investees is publicly listed.

The business plans for the Group's equity-accounted investees provide no indications that those investments may be impaired.

(*) Entities in which the Parent holds an indirect shareholding through another Group company that is accounted for using the equity method.

31 March 2023

	Euros									
	Year ended 31 March 2023									
	WINSLARO ITG, S.L.	SERV. INMOBILIARIOS LICANCABUR, S.L.	URBANIA LAMATRA II, S.L.	Varía Acr Móstoles Fuensanta, S.L.	ESPACIO ÁUREA, S.L.	ALLEGRA NATURE, S.L.	RESIDENCIAL HENAO, S.L.	ÁUREA ETXABAKOITZ, S.L.	RESIDENCIAL CIUDADELA UNO, S.L.	NATURE ESTE, S.L.
Group's share of the associates' balance sheet items										
Non-current assets	798,506	-	-	-	-	1,487	3,128	8,416	7,096,208	40,145
Current assets	43,414,322	-	-	2,643,133	15,352,229	3,120,377	1,384,098	863,898	59,546	21,306,013
Non-current liabilities	25,541,903	-	-	-	6,284,468	-	-	-	-	-
Current liabilities	8,325,312	-	-	1,530,272	5,119,176	2,166,643	1,336,826	764,360	42,772	10,986,870
Equity	**10,345,613**	-	-	**1,112,861**	**3,948,585**	**955,221**	**50,400**	**107,954**	**7,112,982**	**10,359,288**
Ownership interest attributable to the Parent	*20%*	-	-	*30%*	*50%*	*20%*	*23%*	*15%*	*17%*	*17%*
Group's share of associates' equity	2,069,122	-	-	333,858	1,974,293	191,044	11,341	15,980	1,218,453	598,116
Goodwill	332	-	-	-	-	-	-	-	-	-
Adjustment to fair value (business combination - note 6)	-	-	-	11,628	576,571	696,768	257,031	165,843	175,414	-
Carrying amount of Group's investments	**2,069,454**	**-**	**-**	**345,486**	**2,550,864**	**887,812**	**268,372**	**181,823**	**1,393,867**	**598,116**
Revenue	-	-	-	26,553,571	8,939,761	9,463,045	22,592,227	11,100	-	26,736,322
Cost of sales	-	-	-	(23,867,238)	(7,715,090)	(7,472,991)	(18,614,572)	22,592	-	(21,647,823)
Other operating expenses	(67,112)	(80,234)	(512,425)	(1,463,730)	(28,260)	118,511	(1,110,704)	(124,213)	(1,548)	(1,392,744)
Finance income	-	-	1,199,284	170,514	-	-	52,429	-	-	57,739
Finance costs	(1,296,883)	(863,111)	(1,174,717)	(513,658)	(45,178)	(25,440)	(176,384)	31,076	-	(280,820)
Profit before tax	(1,363,995)	(943,345)	(487,858)	879,459	1,151,233	2,083,125	2,742,996	(59,445)	(1,548)	3,472,674
Income tax	309,379	235,836	129,763	(219,865)	(191,292)	(484,896)	(658,362)	(42,221)	362	2,054
Profit/(loss) for the year from continuing operations	**(1,054,616)**	**(707,509)**	**(358,095)**	**659,594**	**959,941**	**1,598,229**	**2,084,634**	**(101,666)**	**(1,186)**	**3,474,728**
Group's share of associates' profit/(loss) for the period	**(210,923)**	**(176,877)**	**(110,079)**	**197,878**	**479,971**	**319,646**	**469,043**	**(15,057)**	**(203)**	**595,221**
Gain/(loss) on loss of significant influence	**-**	**5,355,738**	**3,348,705**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

- "Loans to associates" includes loans extended to associates and investees under joint control, which break down as follows:

31 March 2024

	Limit	Amount drawn	Unpaid accrued interest	Maturity date	Interest rate
WINSLARO ITG, S.L.	9,040,000	5,648,613	1,006,914	31 July 2027	Euribor + 5.5%
JAVA INVESTMENTS HOLDINGS, S.A.R.L.	56,000,000	42,340,390	42,051	29 February 2028	4.73%
BTS SERVICIOS INMOBILIARIOS JVI, S.L.	17,692,143	9,066,687	21,759	20 July 2025	Euribor + 4%
AEDAS HOMES KS LEVANTE S.L.U.	669,765	669,765		29 February 2028	4.73%
AEDAS KS IBERIA S.L.U.	2,052,682	2,052,682		29 February 2028	4.73%
AEDAS KS FONSALIA S.L.U.	2,991,531	2,991,531		29 February 2028	4.73%
AEDAS KS SANTA CLARA S.L.U.	5,034,279	5,034,279		29 February 2028	4.73%
Total	**93,480,400**	**67,803,947**	**1,070,724**		

31 March 2023

	Limit	Amount drawn	Unpaid accrued interest	Maturity date	Interest rate
WINSLARO ITG, S.L.	4,520,000	2,824,068	408,635	11 June 2025	Euribor + 5.5%
WINSLARO ITG, S.L.	4,520,000	1,737,031	140,018	31 July 2027	Euribor + 5.5%
ESPACIO ÁUREA, S.L.	1,300,000	400,000	58,689	24 August 2023	Euribor + 5.5%
Total	**10,340,000**	**4,961,099**	**607,342**		

- "Current prepayments and accrued income" mainly reflect development sales commissions which are recognised in profit and loss when the home sales close, insofar as those commissions are conditional upon delivery of the homes.

The movement in other current assets and liabilities during the year ended 31 March 2024 is provided below:

	Euros		
	31 Mar. 2024	31 Mar. 2023	Change
Short-term interest payable	-	607,341	(607,341)
Short-term deposits	3,656,683	2,560,379	1,096,304
Security deposits extended	2,895,847	811,395	2,084,452
Deposits extended	2,429,161	186,541	2,242,620
Current prepayments and accrued income	15,019,706	14,109,258	910,448
Total other current assets	**24,001,397**	**18,274,914**	**5,726,483**
Notes and other marketable securities	(53,556,309)	(49,279,073)	(4,277,236)
Bank borrowings	(181,729,786)	(133,084,606)	(48,645,180)
Other financial liabilities	(1,951,198)	(1,027,733)	(923,465)
Current provisions	(31,700,554)	(21,407,715)	(10,292,839)
Total other current liabilities	**(268,937293)**	**(204,799,127)**	**(64,138,720)**
Total other current assets less other current liabilities	**(244,936,450)**	**(186,524,213)**	**(58,412,237)**

The movement in other current assets and liabilities during the year ended 31 March 2023 is provided below:

	Euros		
	31 Mar. 2023	**31 Mar. 2022**	**Change**
Short-term interest payable	607,341	1,227,954	(620,613)
Dividends	-	324,000	(324,000)
Short-term deposits	2,560,379	699,871	1,860,508
Security deposits extended	811,395	784,561	26,834
Deposits extended	186,541	4,103,680	(3,917,139)
Current prepayments and accrued income	14,109,258	11,918,290	2,190,968
Total other current assets	**18,274,914**	**19,058,356**	**(783,442)**
Notes and other marketable securities	(49,279,073)	(42,460,562)	(6,818,511)
Bank borrowings	(133,084,606)	(105,496,538)	(27,588,068)
Other financial liabilities	(1,027,733)	(1,929,099)	901,366
Current provisions	(21,407,715)	(13,236,445)	(8,171,270)
Total other current liabilities	**(204,799,127)**	**(163,122,644)**	**(41,676,483)**
Total other current assets less other current liabilities	**(186,524,213)**	**(144,064,288)**	**(42,459,925)**

11. Inventories

The breakdown of the Group's inventories at 31 March 2024 and 31 March 2023 is shown below:

	Euros		
	31 Mar. 2024	31 Mar. 2023	Change
Land and plots	478,733,658	566,765,626	(88,031,968)
Developments in progress (*)	634,083,470	794,244,978	(160,161,508)
Finished buildings	331,808,576	226,014,965	105,793,611
Prepayments to suppliers	42,381,056	23,645,455	18,735,601
Total	**1,487,006,760**	**1,610,671,024**	**(123,664,264)**

(*) At 31 March 2024, "Developments in progress" included the cost of the land on which the developments are being carried out in the amount of 436,275,210 euros (31 March 2023: 373,733,749 euros).

The reconciliation of the movements under this heading during the year ended 31 March 2024:

Euros	31 Mar. 2023	Advances	Land purchases	Cost of sales	Amounts derecognised (note 19.2)	Capitalised borrowing costs	Impairment	31 Mar. 2024
Inventories	**1,610,671,024**	18,735,601	125,086,688	635,211,291	(932,973,667)	27,115,017	3,160,806	**1,487,006,760**

The movement in inventories during the year ended 31 March 2024 broken down between the amounts presented in the statement of cash flows and non-cash movements is provided below:

	Euros				
	Change	Transferred to cash flows	Transfers	Impairment	Other
Land and plots	(88,031,968)	40,773,824	(130,975,904)	2,170,112	-
Developments in progress	(160,161,508)	480,509,442	(640,818,498)	147,549	-
Finished buildings	105,793,611	(666,843,936)	771,794,402	843,145	-
Prepayments to suppliers	18,735,601	18,735,601	-	-	-
Total	**(123,664,264)**	**(126,825,069)**	**-**	**3,160,806**	**-**
Change in working capital derived from land purchases/sales - Inventories		**15,385,208**			
Change in inventories not derived from land purchases/sales - Inventories		**111,439,862**			

During the year ended 31 March 2024, the movement under land and plots was shaped by land acquired for 125,086,688 euros, land derecognised due to its reclassification to developments under progress in the amount of 130,975,904 euros, land sales of 185,749,186 euros and impairment losses in the amount of 3,160,806 euros, with the remainder accounted for by work performed on the land. Also during the year ended 31 March 2024, the Group completed the works corresponding to 60 developments carried out by subsidiaries, which implied the transfer from developments in progress to finished buildings of 771,794,402 euros.

The movement in inventories in the year ended 31 March 2024 implied a net cash outflow of 126,825,069 euros, of which a net cash outflow of 15,385,208 euros derived from the purchase and sale of land and a net cash inflow of 111,439,862 euros derived from other working capital movements (other than those arising from the purchase or sale of land).

The net cash outflow attributable to the purchase and sale of land during the year ended 31 March 2024 and the payment of amounts deferred in prior years amounted to 45,310,197 euros, broken down as follows:

Land purchases committed to during prior reporting period	(41,779,927)
Land purchases derived from new acquisitions	(123,866,497)
Payments deferred on land purchased during the period	26,971,778
Prepayments to suppliers and deposits for call options arranged in prior reporting periods	5,455,205
Settlement of deferred payments for land purchased in prior reporting periods	25,487,035
Payment of prepayments to suppliers and call options arranged during the current reporting period	(26,437,653)
Premiums paid for call options	(1,551,376)
Price paid to offset loans to and equity investments in associates (note 20)	-
Payments made during the year ended 31 March 2024 for the purchase of land	**(135,721,435)**
Land sold during the period	61,255,394
Land sold to co-investment vehicles (note 20)	127,608,558
Deferred payments for land sold during the period	(7,832,320)
Deferred payments received for land sold in prior reporting periods	-
Payments collected during the year ended 31 March 2024 for the sale of land	**181,031,632**
Change in working capital attributable to land purchases/sales during the period	**45,310,197**

The breakdown of the Group's inventories at 31 March 2023 and 31 March 2022 was as follows:

	Euros		
	31.03,2023	31.03,2022	Change
Land and plots	566,765,626	644,427,376	(77,661,750)
Developments in progress (*)	794,244,978	672,379,820	121,865,158
Finished buildings	226,014,965	183,260,613	42,754,352
Prepayments to suppliers	23,645,455	20,278,762	3,366,693
Total	**1,610,671,024**	**1,520,346,571**	**90,324,453**

(*) At 31 March 2023, "Developments in progress" included the cost of the land on which the developments are being carried out in the amount of 329,638,101 euros (31 March 2023: 275,650,335 euros).

The reconciliation of the movements under this heading during the year ended 31 March 2023:

Euros	31 Mar. 2022	Advances	Land purchases	Cost of sales	Amounts derecognised (note 19.2)	Capitalised borrowing costs	Impairment	31 Mar. 2023
Inventories	**1,520,346,571**	3,366,693	173,687,246	567,449,456	(676,412,938)	23,495,516	(1,261,520)	**1,610,671,024**

The movement in inventories during the year ended 31 March 2023 broken down between the amounts presented in the statement of cash flows and non-cash movements is provided below:

	Euros				
	Change	Transferred to cash flows	Transfers	Impairment	Other
Land and plots	(77,661,750)	169,286,129	(245,413,811)	(1,534,068)	-
Developments in progress	121,865,158	557,733,873	(436,275,210)	406,495	-
Finished buildings	42,754,352	(638,800,722)	681,689,021	(133,947)	2,186,305
Prepayments to suppliers	3,366,693	3,366,693	-	-	-
Total	**90,324,453**	**(93,772,278)**	**-**	**(1,261,520)**	**2,186,305**
Change in working capital derived from land purchases/sales - Inventories		**(129,571,182)**			
Change in inventories not derived from land purchases/sales - Inventories		**35,798,904**			

During the year ended 31 March 2023, the movement under land and plots was shaped by land acquired for 173,687,246 euros, land derecognised due to its reclassification to developments under progress in the amount of 245,413,811 euros, land sales of 27,782,061 euros and impairment losses in the amount of 1,261,520 euros, with the remainder accounted for by work performed on the land. Also during the year ended 31 March 2023, the Group completed the works corresponding to 34 developments carried out by subsidiaries, which implied the transfer from developments in progress to finished buildings of 681,689,021 euros.

The movement in inventories in the year ended 31 March 2023 implied a net cash outflow of 93,772,278 euros, shaped by a net cash outflow of 129,571,182 euros derived from the purchase and sale of land and a net cash inflow of 35,798,904 euros derived from other working capital movements (other than those arising from the purchase or sale of land).

The net cash outflow attributable to the purchase and sale of land during the year ended 31 March 2023 and the payment of amounts deferred in prior years amounted to 121,465,159 euros, broken down as follows:

Land purchases committed to during prior reporting period	(41,897,566)
Land purchases derived from new acquisitions	(131,789,680)
Payments deferred on land purchased during the period	38,223,631
Prepayments to suppliers and deposits for call options arranged in prior reporting periods	1,251,599
Settlement of deferred payments for land purchased in prior reporting periods	(30,319,207)
Payment of prepayments to suppliers and call options arranged during the current reporting period	(5,025,205)
Premiums paid for call options	(500,000)
Price paid to offset loans to and equity investments in associates (note 20)	18,405,619
Payments made during the year ended 31 March 2023 for the purchase of land	**(151,650,809)**
Land sold during the year	30,185,650
Deferred payments for land sold during the year	-
Deferred payments received for land sold in previous reporting periods	-
Payments collected during the year ended 31 March 2023 for the sale of land	**30,185,650**
Change in working capital attributable to land purchases/sales during the period	**(121,465,159)**

Deferred payments on land recognised on the consolidated balance sheet at 31 March 2024 amounted to 52,458,813 euros (31 March 2023: 43,726,636 euros), of which 26,971,778 euros corresponds to land newly acquired during the year then ended (38,223,631 euros to land acquired in FY 2022/23) (note 16). Of the total amount deferred at 31 March 2024, 30,922,410 euros was due in the short term (31 March 2023: 33,405,415 euros was due in the short term).

During the year ended 31 March 2024, the Group capitalised 27,115,017 euros of borrowing costs within inventories (23,495,516 euros in FY 2022/23) (note 4.4). The average cost of the debt capitalised was approximately 6.09% (FY 2022/23: 2.62%), due mainly to the movement in Euribor, which increased by 7.1 basis points between 31 March 2023 and the reporting date.

During the year ended 31 March 2024, the Group derecognised 932,973,667euros of inventories, of which 723,274,568 euros due to the sale of finished homes and 209,701,253 euros due to land sales (676,412,938 euros in FY 2022/23; 648,630,877 euros due to the sale of finished homes; and 27,782,061 euros due to land sales) (note 19.1).

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

	Euros	
	31 Mar. 2024	31 Mar. 2023
Centre	379,205,330	453,548,071
North	79,172,487	119,736,158
Catalonia & Aragon	245,677,256	261,832,423
Costa del Sol	201,853,915	229,911,255
Rest of Andalusia & Canaries	259,001,808	246,282,322
East & Mallorca	279,714,909	275,715,340
Total	**1,444,625,705**	**1,587,025,569**

At 31 March 2024, the Group was contractually committed to the acquisition of land in the amount of 140,652,168 euros (31 March 2023: 54,111,945 euros), against which it had paid 26,437,653 euros of supplier down payments and deposits (31 March 2023: 5,025,205 euros), which are recognised under "Inventories" within current assets on the consolidated balance sheet at 31 March 2024. In addition, at 31 March 2024 the Group recognised prepayments to land suppliers in the amount of 19,854,815 euros, of which 18,854,815 euros relates to Chamartín Norte (31 March 2023: 18,303,439 euros, of which 17,303,439 euros related to Chamartín Norte).

Of the total recognised under "Trade and other payables – Customer prepayments" within current liabilities on the consolidated balance sheet at 31 March 2024, the sum of 162,063,575 euros relates to customer down payments for housing units (pre-sales and private contracts) (194,760,470 euros at 31 March 2023).

At 31 March 2024, the Group was contractually committed to the sale of land in the towns of Granada and Berrocales in the amounts of 150,950 euros and 9,576 euros, respectively. The Group was not contractually committed to any land sales at 31 March 2023.

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

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

Lastly, the appraisal exercise entailed the calculation of a discount rate for each project, which was then stressed depending on the state of progress of the various developments. The discount rates used vary depending on the development status of the asset (untransformed land, developments under construction, developments being sold off-plan and finished developments). They ranged between 6% and 16%, the weighted average discount rate being 8.15%.

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

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

- It is assumed that off-plan sales will not be made before construction of the developments begins.

- As a general rule, it is assumed that approximately 70% - 75% of sales (off-plan sales under private sale-purchase agreements) take place during construction of the various developments, with the rest of the units being sold in the three to nine months following their completion.

- The estimates do not assume any generalised increase in sales prices with respect to market prices as of the reporting date. The average sale price assumed was 3,317 euros per square metre.

- As a general rule, it is assumed that it takes between 27 and 42 months from drawing up the plans for a development and obtaining the required permits until the marketing and sale of the development is complete.

At 31 March 2024, the net realisation value of the Group's inventories amounted to 1,895,399,071 euros (31 March 2023: 2,088,153,729 euros). That value was determined on the basis of appraisals conducted by Savills Valoraciones y Tasaciones, S.A.U. as of 31 March 2024, without considering prepayments to suppliers. In light of the appraiser's methodology, the key valuation hypotheses are the discount rate and sales prices modelled (note 4.4). As a result, at 31 March 2024, the Group recognised inventory impairment losses in its consolidated financial statements of 1,969,583 euros (6,948,035 euros at 31 March 2023), and presented unrealised gains of 451 million euros (492 million euros at 31 March 2023).

The inventory impairment charge breaks down as follows by region:

	Euros	
	31 Mar. 2024	31 Mar. 2023
Centre	(245,509)	(1,713,281)
North	-	-
Catalonia & Aragon	(229,820)	(109,883)
Costa del Sol	(252,918)	(847,079)
Rest of Andalusia & Canaries	(832,138)	(1,569,913)
East & Mallorca	(409,199)	(2,707,879)
Total	**(1,969,584)**	**(6,948,035)**

The breakdown of the inventory impairment charge by inventory category:

	Euros	
	31 Mar. 2024	31 Mar. 2023
Land and plots	(1,768,290)	(5,285,529)
Developments in progress	64,100	(1,478,873)
Finished buildings	(265,392)	(183,633)
Total	**(1,969,584)**	**(6,948,035)**

The Group carried out sensitivity tests around those impairment losses at 31 March 2024 as follows:

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

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

The sensitivity analysis was performed keeping all other variables constant.

Modelling variations in the key assumptions used yields the following impairment valuations and carrying amounts:

	Euros	
Assumption	Discount rate	
	1%	-1%
	Increase/(decrease)	
Change in carrying amount (*)	**(4,795,655)**	**807,020**

	Euros					
Assumption	Sales price					
	-1%	1%	-5%	5%	-10%	10%
	Increase/(decrease)					
Change in carrying amount (*)	(3,868,510)	796,200	(32,134,419)	1,469,412	(93,175,993)	1,620,995

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

The impacts of the sensitivity analysis on the valuations compiled by the independent expert are as follows:

- A 100 basis point reduction in the discount rate would increase the valuation by 35 million euros, while a 100 basis point increase would decrease it by 34 million euros.
- A 1% decrease in sales prices would decrease the expert's valuation by 32 million euros, while a 1% increase would increase it by 31 million euros.
- A 5% decrease in sales prices would decrease the expert's valuation by 176 million euros, while a 5% increase would increase it by 157 million euros.
- A 10% decrease in sales prices would decrease the expert's valuation by 315 million euros, while a 10% increase would increase it by 313 million euros.

At 31 March 2024 , there were assets recognised under "Inventories" with a gross cost of 750 million euros (726 million euros at 31 March 2023) that secure developer loans arranged by the Group (note 15).

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

At 31 March 2024, the Group had recognised current provisions totalling 31,700,554 euros, of which 29,073,540 euros corresponded to provisions for the completion of works and 2,627,014 euros corresponded to provisions for lawsuits (21,407,715 euros at 31 March 2023, of which 20,783,898 euros related to the provision for works completion and 623,817 euros to coverage of lawsuits) (note 10).

The Group has certain assets and liabilities that are classified within current assets or current liabilities, respectively, but are expected to be realised or settled, or whose last latest contractual maturity date is, more than 12 months from the reporting date, namely the developer loans taken on to finance its inventories. Specifically:

	Euros	
	31 Mar. 2024	31 Mar. 2023
Inventories (long production cycle) - Unimpaired	682,089,052	916,653,893
Inventories (short production cycle) - Unimpaired	764,506,235	677,319,710
Total current assets	**1,883,620,897**	**1,926,284,542**
Borrowings secured to finance inventories (long cycle) - note 15	157,677,793	125,561,716
Total current liabilities	**759,141,025**	**677,295,117**

12. Trade and other receivables

The breakdown of “Trade and other receivables” at 31 March 2024 and 31 March 2023:

	Euros	
	31 Mar. 2024	31 Mar. 2023
Trade receivables	42,833,776	41,149,759
Trade receivables, associates (note 20)	17,392,779	1,000,155
Other receivables	689,147	712,844
Receivable from employees	26,854	1,588
Current tax assets (note 17.2)	175,349	104,201
Taxes receivable (note 17.2)	9,725,417	9,237,197
Total	**70,843,322**	**52,205,744**

The movement in “Trade and other receivables” during the year ended 31 March 2024 broken down between the amounts presented in the statement of cash flows and non-cash movements is provided below:

	Euros				
	31 Mar. 2024	31 Mar. 2023	Change	Transferred to cash flows	Other
Trade receivables - Sale of developments - Instalments	25,829,452	23,076,171	2,753,281	(2,753,281)	-
Trade receivables - Other	17,004,324	18,073,588	(1,069,264)	1,069,264	-
Trade receivables, associates	17,392,779	1,000,155	16,392,624	(16,392,624)	-
Other receivables	689,147	712,844	(23,697)	23,697	-
Receivable from employees	26,854	1,588	25,266	(25,266)	-
Current tax assets (note 17.2)	175,349	104,201	71,148	(71,149)	-
Taxes receivable (note 17.2)	9,725,417	9,237,197	488,220	(15,075,162)	14,586,942
Total trade and other receivables	**70,843,322**	**52,205,744**	**18,637,578**	**(33,224,521)**	**14,586,942**
Change in working capital derived from land purchases/sales - Accounts receivable				**-**	
Change in working capital not derived from land purchases/sales - Accounts receivable				**(33,224,522)**	

As shown in the table above, the 18,637,579 euro increase in total trade and other receivables implied a net cash outflow of 33,224,522 due to the increase in trade receivables due from associates (16,392,624 euros). The increase in trade receivables from associates related to transactions completed with the co-investment vehicles, Java Investment Holding S.L.U. and BTS Servicios Inmobiliarios JV1 S.L.U. (note 20).

"Trade receivables - Sale of developments - Instalments" recognises the amounts receivable from customers upon execution of sale contracts, specifically an amount equivalent to 15%-25% of the total sales price, which is collected monthly in equal amounts until the estimated development delivery date, throughout the construction period, which spans 18 months on average. A private sale agreement generates cash according to the following timeline: 5% upon execution; 15%-25% in the form of monthly instalments until delivery of the home; and 70%-80% at the formal exchange of deeds, which coincides with the physical handover of the property. The down payments before the exchange of deeds are deposited in a special account which is separate from the rest of the Group's funds and is only used for requirements related with construction of the developments (note 13).

The movement in "Trade and other receivables" during the year ended 31 March 2023 broken down between the amounts presented in the statement of cash flows and non-cash movements is provided below:

	Euros				
	31 Mar. 2023	31 Mar. 2022	Change	Transferred to cash flows	Other
Trade receivables - Sale of developments - Instalments	23,076,171	41,951,219	(18,875,048)	18,875,048	-
Trade receivables - Other	18,073,588	21,153,373	(3,079,785)	3,079,785	-
Trade receivables, associates	1,000,155	708,799	291,356	(291,356)	-
Other receivables	712,844	721,851	(9,007)	9,007	-
Receivable from employees	1,588	-	1,588	(1,588)	-
Current tax assets (note 17.2)	104,201	179,014	(74,813)	74,813	-
Taxes receivable (note 17.2)	9,237,197	6,783,258	2,453,939	(12,846,706)	(15,300,645)
Total trade and other receivables	**52,205,744**	**71,497,514**	**(19,291,770)**	**34,592,415**	**(15,300,645)**
Change in working capital derived from land purchases/sales - Accounts receivable				**-**	
Change in working capital not derived from land purchases/sales - Accounts receivable				**34,592,415**	

As shown in the table above, the 19.3 million euro increase in total trade and other receivables implied a net cash outflow of 34.6 million, due mainly to the increase in trade receivables from the sale of developments (19 million euros).

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

Trade receivables include trade bills in the amount of 23,076,171 euros (41,951,219 euros at 31 March 2023), which include customer instalment payments of 21,412,775 euros (38,856,239 euros at 31 March 2023) which mature in the short term.

To calculate impairment on its trade receivables at 31 March 2024 and 31 March2023, the Group used the simplified approach prescribed in IFRS Financial Instruments (lifetime expected credit losses). However, the Group has not recognised any impairment allowances against its trade receivables in its consolidated financial statements, due mainly to the fact that the agreements it enters into with its customers can be terminated if they breach their payment terms.

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

13. Cash and cash equivalents

"Cash and cash equivalents" includes the cash held by the Group in demand deposits and qualifying cash equivalents that:

- Have a short maturity of three months or less from the date of acquisition.
- Are highly liquid and readily convertible into known amounts of cash, i.e., there are no restrictions or penalties on their conversion.

- Are subject to an insignificant risk of changes in value.
- Are held for the purpose of meeting short-term cash commitments, forming part of the Company's standard cash management policy.

The carrying amount of these assets approximates their fair value.

	Euros	
	31 Mar. 2024	31 Mar. 2023
Cash	289,786,767	234,732,860
Cash equivalents	-	10,000,000
Total	**289,786,767**	**244,732,860**

The balance pledged at 31 March 2024 to secure guarantees extended to customers stood at 1,499,940 euros (1,499,940 euros at 31 March 2023); the balance pledged to secure performance bonds amounted to 591,981 euros (591,730 euros at 31 March 2023); and the amount associated with withholdings of financing at developments under delivery stood at 1,279,537 euros (0 euros at 31 March 2023).

There were no restrictions on the use of the Group's cash at 31 March 2024 except for the fact, as required under Spanish Law 20/2015, that down payments received in connection with residential developments must be deposited in a special account separate from the rest of the Group's funds and may only be used to cover expenses deriving from the construction of the developments. The balance of cash restricted in that regard amounted to 50,321,992 euros at 31 March 2024 (46,064,993 euros at 31 March 2023). The amount of cash that was restricted at 31 March 2024 accordingly totalled 53,691,450 euros (48,156,663 euros at 31 March 2023).

The cash balance includes amounts collected from customers in the form of bank cheques that have yet to be deposited, in the amount of 21,066,829 euros at 31 March 2024 (20,770,603 euros at 31 March 2023).

The Group holds its cash and cash equivalents at financial institutions with high credit ratings; those deposits earn market rates of interest.

14. Equity

14.1 Share capital

At 31 March 2024, the Parent's capital comprised 43,700,000 shares with a unit par value of 1 euro (46,806,537 shares with a unit par value of 1 euro at 31 March 2023). The shares are fully subscribed and paid in.

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

On 25 September 2023, the Parent reduced its share capital by 3,106,537 euros by cancelling 3,106,537 own shares (unit par value: 1 euro), which represented approximately 6.63% of its share capital at the time. That capital decrease was recorded with the Madrid Companies Register on 11 October 2023 (Tome 43613, Folio 124, Entry No. 160, Sheet M-627110).

None of the Parent's shares was pledged at 31 March 2024 or 31 March 2023.

The breakdown of the Parent's significant shareholders (those with equity interests of 3% or more) at 31 March 2024, as gleaned from the information reported to Spain's securities market regulator, the CNMV, by the shareholders themselves:

		% voting rights attributed to the shares		% voting rights held via financial instruments
	% of total	Direct	Indirect	
HIPOTECA 43 LUX S.A.R.L.	79.02	79.02	-	-
O'NEILL, RORY JOSEPH	79.02	-	79.02	-
T. ROWE PRICE ASSOCIATES, INC	4.93	-	4.93	-

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

		% voting rights attributed to the shares		% voting rights held via financial instruments
	% of total	Direct	Indirect	
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.	3.13	0.31	-	2.82

14.2 Share premium

The share premium account amounted to 421,568,843 euros at 31 March 2024 (478,534,502 euros at 31 March 2023).

As a result of the cancellation of own shares on 25 September 2023 (see above), the Group recognised a reduction in the share premium account of 56,965,659 euros, which is equivalent to the difference between the par value of the shares cancelled and the price at which they were acquired.

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

14.3 Legal reserve

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

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

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

At 31 March 2024 and 31 March 2023, the Parent’s legal reserve amounted to 9,593,317 euros, which is more than the legally-stipulated minimum threshold of 20% as a result of the capital reduction outlined in note 14.1).

14.4 Voluntary reserves

Parent company reserves

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

The movement under this heading in the year ended 31 March 2024 was shaped primarily by the purchase and sale of own shares (refer to section 14.6 below) in the amount of 37,092 euros (increase) and also the 283,712-euro-impact (decrease) on reserves of the delivery of Parent company shares to AEDAS employees, framed by the commitments assumed in the incentive plans described in section 14.9 below.

The movement under this heading in the year ended 31 March 2023 was shaped primarily by the purchase and sale of own shares (refer to section 14.6 below) in the amount of 52,180 euros (increase) and also the 93,136-euro-impact (decrease) on reserves of the delivery of Parent company shares to AEDAS employees, framed by the commitments assumed in the incentive plans described in section 14.9 below.

Reserves at fully-consolidated companies

The movement under this heading during the year ended 31 March 2024 related primarily to the appropriation of the earnings of the consolidated investees for the year ended 31 March 2023.

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

14.5 Capitalisation reserve

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

At 31 March 2024, the Group's capitalisation reserve stood at 5,385,233 euros, of which 893,761 euros was allocated by the Parent and 4,491,472 euros, by AEDAS HOMES OPCO, S.L.U. (31 March 2023: 4,597,296 euros, 893,761 euros set up by the Parent and the remaining 3,703,535 euros, by AEDAS HOMES OPCO, S.L.U.).

The requirement to keep the increased own funds in equity for five years was met at 31 March 2024 and 31 March 2023.

14.6 Own shares

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

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

On 12 July 2023, the Parent decided to renew the buyback programme with a new limit of 50 million euros, applicable to shares repurchased from entry into effect of the renewed agreement. The new buyback programme took effect from 27 September 2023, following completion of the previously effective programme on that date.

Since 8 August 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 (i.e., for 89,003,557 euros in total), of which: 148,724, shares (0.32% of capital) were purchased under the Discretionary Programme at an average price of 20.31 euros per share (i.e., for 3,019,990 euros); 2,107,506 shares (4.50%) were bought back under the Repurchase Programme at an average price of 19.59 euros per share (i.e., for 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 (i.e., for 44,690,263 euros).

In June 2021, the Parent delivered 30,090 own shares to its employees as part of the commitments assumed under the first cycle of the first Long-Term Incentive Plan (LTIP) described in note 14.9. Those shares were acquired for 593,134 euros.

On 27 July 2021, the Parent reduced its share capital by 1,160,050 euros by cancelling 1,160,050 own shares (unit par value: 1 euro) which it had purchased for 22,702,269 euros (note 14.1).

In June 2022, the Parent delivered 86,933 own shares to its employees as part of the commitments assumed under the second cycle of the first LTIP and the New Incentive described in note 14.9. Those shares were acquired for 1,785,988 euros.

During the year ended 31 March 2023, share repurchases implied a cash outflow of 9,891,379 euros (14,161,063 euros in FY 2021/22).

At 31 March 2023, the Company’s own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 9,887,856 euros, corresponding to 3,305,632 shares representing 7.06% of share capital; the average purchase price was 19.34 euros (31 March 2022: 63,922,166 euros; 2,720,335 shares; 5.81% and 20.54 euros, respectively).

In June and August 2023, the Parent delivered 52,631 own shares to its employees as part of the commitments assumed under the third cycle of the first LTIP and the New Incentive described in note 14.9. Those shares were acquired for 1,006,267 euros.

On 25 September 2023, the Parent reduced its share capital by 3,106,537 euros by cancelling 1,160,050 own shares (unit par value: 1 euro) which it had purchased for 60,072,196 euros (note 14.1).

During the year ended 31 March 2024, share repurchases implied a cash outflow of 7,077,435 euros (9,891,379 euros in FY 2022/23).

At 31 March 2024, the Company's own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 9,887,856 euros, corresponding to 583,260 shares representing 1.33% of share capital; the average purchase price was 16.95 euros (31 March 2023: 63,922,166 euros; 3,305,635 shares; 7.06% and 19.34 euros, respectively).

14.7 Owner contributions

The Parent did not receive any new owner contributions during the years ended 31 March 2024 or 31 March 2023.

At 31 March 2024, total contributions by the Parent's Majority Shareholder amounted to 740,071,256 euros (same balance at 31 March 2023).

14.8 Distribution of dividends

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

On 20 July 2023, the Parent's shareholders resolved, in general meeting, to pay an additional dividend (final dividend) from earnings for the year ended 31 March 2023 of 1 euro per share on all shares other than own shares as of the record date, as had been proposed by the Board of Directors following a meeting held on 23 March 2023. As a result, assuming that on the date of distributing the proposed dividend the number of own shares of the Parent would be the same as at 31 March 2024, i.e., 583,260 shares, the maximum dividend payable (interim plus final dividend) would have been 95,228,811 euros, so that 14,139,304 euros was allocated to retained earnings. The final dividend of 1.34 euros per share was paid on all shares carrying dividend rights on 8 July 2023; the payout totalled 49,890,046 euros; the retained earnings balance was accordingly reduced by 82,136 euros.

At a meeting held on 17 March 2024, the Company's Board of Directors resolved to pay an interim dividend against profits for the year ended 31 March 2024 of 2.25 euros per share (before withholding tax), which was paid on all shares carrying dividend rights. That dividend was paid on 26 March 2024 and totalled 97,044,905 euros.

On the date of approving that interim dividend, the Parent had the liquidity required under the Corporate Enterprises Act to pay that dividend. The substantiating liquidity statement issued by the directors on 17 March 2024 is provided below:

	(Thousands of euros)
Profit after tax as of 16 March 2024	98,122
Mandatory reserve allocation	-
Prior-year losses	-
Maximum amount distributable as interim dividend (art. 277 Corp. Enterprises Act)	**98,122**
Forecast interim dividend payable against FY 2023/24 earnings	**97,000**
Available cash	126,022

On 29 May 2024, the Board of Directors agreed to pay an additional dividend (final dividend) against profit for the year ended 31 March 2024 of 0.24 euros per share on all shares other than own shares as of the record date. As a result, assuming that on the date of distributing the proposed dividend the number of own shares is the same as at 31 March 2024 (i.e., 583,260 shares), the maximum dividend payable (interim plus final dividend) would be 107,392,505 euros, which implies appropriating 1,487,837 euros to retained earnings (notes 3 and 24).

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

- Each year, the Board of Directors will submit a motion for the distribution of an ordinary dividend equivalent to 50% of net profit until FY 2025/26, inclusive.

- The ordinary dividends may be complemented by extraordinary dividends that may be approved as a function of cash generation.

- Distribution of any such extraordinary dividends is conditional upon the ratio of net debt to gross asset value (i.e., net LTV) not exceeding 20%.

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

Nevertheless, there were no limits on the distribution of dividends other than those contemplated in company law and the Green Bond indenture (note 15) at 31 March 2024 or 31 March 2023.

14.9 Other equity instruments

On 26 September 2017, the Parent's Majority Shareholder approved a long-term incentive plan (the first LTIP) payable entirely in shares for the CEO, the Company's executives and certain key employees, structured into three overlapping three-year periods or cycles (the first cycle was settled in June 2021; the second cycle was settled in June 2023 and the third cycle runs from 1 April 2020 until 31 March 2024). The metrics to be used to measure delivery of the targets for the third cycle are, in equal parts: (i) EBITDA; (ii) the development margin; and (iii) the shareholder return. For each there are minimum thresholds below which the bonuses do not accrue; there is also scope for outperformance. The number of shares to be received by each participant is determined by the price of the shares in each three-year cycle (the average trading price during the 20 trading sessions prior to the start of the cycle in the case of the third cycle) and the level of target delivery. All of the shares received by the CEO and 50% of those received by key management personnel are subject to a one-year lock-up from when they are received. In the case of the CEO and members of the Steering Committee, this bonus is subject to clawback under certain circumstances. The cost of the LTIP is borne by the Group. The maximum aggregate amount receivable by its beneficiaries is 6,107,201 euros (which is below the initially contemplated 11 million euros, as target delivery fell short of 150% in the first and second cycles, already paid). The LTIP was endorsed by the Parent's Appointments and Remuneration Committee on 27 February 2018. On 28 June 2020, the Parent's Board of Directors approved a new share-based scheme (the New Incentive). Its beneficiaries are the CEO, the Company's key management personnel and certain key employees and it is subject to delivery of the same targets as were set for the second cycle of the LTIP. In the case of the CEO and members of the Steering Committee, this bonus is subject to clawback under certain circumstances. The New Incentive was paid out in June 2023 in the amount of 1,198,658 euros. On 18 October 2023, the Parent's Board of Directors approved a new share-based scheme (the New Incentive) tied to the LTIP third cycle metrics. Its beneficiaries are the CEO, the Company's key management personnel and certain key employees and it is subject to delivery of the same targets as were set for the third cycle of the LTIP. In the case of the CEO and members of the Steering Committee, this bonus is subject to clawback under certain circumstances. At 31 March 2024, the Parent calculated the level of delivery of the metrics associated with the third cycle of the first LTIP.

In June 2022, the Parent delivered 86,933 own shares to its employees as part of the commitments assumed under the second cycle of the first LTIP and the New Incentive, which implied a decrease in "Other equity instruments" of 3,153,103 euros (note 14.9).

In July and August 2023, the Parent delivered 52,631 own shares to its employees as part of the commitments assumed under the third cycle of the first LTIP and the New Incentive, which implied a decrease in "Other equity instruments" of 1,991,084 euros (note 14.9).

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

The amount recognised under "Other equity instruments" in respect of the commitment assumed under the two LTIPs by the Parent vis-a-vis its key employees stood at 12,767,064 euros at 31 March 2024 (8,236,447 euros at 31 March 2023).

14.10 Non-controlling interests

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

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests during the year ended 31 March 2024:

	Ownership interest attributable to the Parent	**Euros**			
		31 Mar. 2023	Profit/(loss) attributable to non-controlling interests	Other changes	31 Mar. 2024
SPV SPAIN 2, S.L.	87.5%	77,164	(4,598)	86,003	158,569
DOMUS AVENIDA, S.L.	52%	464,775	93,078	(148,406)	409,447
Total		**541,939**	**88,480**	**62,403**	**568,016**

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

	Ownership interest attributable to the Parent	**Euros**			
		31 Mar. 2022	Profit/(loss) attributable to non-controlling interests	Other changes	31 Mar. 2023
SPV SPAIN 2, S.L.	87.5%	163,167	(11,003)	(75,000)	77,164
DOMUS AVENIDA, S.L.	52%	248,129	216,646	-	464,775
Total		**411,296**	**205,643**	**(75,000)**	**541,939**

On 30 June 2022, SPV Spain 2, S.L.'s shareholders agreed, in general meeting, to pay out 600,000 euros of dividends against profit for the year ended 31 March 2022. That dividend was paid on 29 July 2023, with the non-controlling interests receiving 75,000 euros.

15. Borrowings and other financial liabilities

15.1 Breakdown

At 31 March 2024, the Group's borrowing profile was as follows:

	Euros				
	31 March 2024				
	Limit	Current liabilities		Non-current liabilities	Total
		Due in the long term	Due in the short term		
Developer loans	666,629,839	144,864,325	1,880,562	-	146,744,887
Land financing	1,223,878	-	1,223,878	-	1,223,878
BTR development financing (**)	44,383,690	9,044,808	-	-	9,044,808
Total development financing	**712,237,407**	**153,909,133**	**3,104,440**	**-**	**157,013,573**
Green bond issue	323,436,000	-	-	320,690,775	320,690,775
Revolving credit facility	55,000,000	-	-	-	-
Commercial paper (*)	250,000,000	-	48,722,316	-	48,722,316
Overdraft credit facility	10,000,000	-	-	-	-
Corporate debt	23,014,381	-	22,671,804	-	22,671,804
Lease liabilities (*)	-	-	2,078,137	588,180	2,666,317
Total corporate debt	**661,450,381**	**-**	**73,472,257**	**321,278,955**	**394,751,212**
Interest on development financing	-	-	1,847,882	-	1,847,882
Interest on corporate debt	-	-	5,030,517	-	5,030,517
Other liabilities	-	-	(126,936)	87,110	(39,826)
Total other liabilities	**-**	**-**	**6,751,463**	**87,110**	**6,838,573**
Total borrowings and other liabilities	**1,373,687,788**	**153,909,133**	**83,328,160**	**321,366,065**	**558,603,358**

(*) Unsecured debt
(**) Mortgage loans

The Group had the following borrowings at 31 March 2023:

	Euros				
	31 March 2023				
	Limit	Current liabilities		Non-current liabilities	Total
		Due in the long term	Due in the short term		
Developer loans	561,609,370	122,487,749	3,202,989	-	125,690,738
Land financing	4,657,858	1,381,084	3,208,207	-	4,589,291
BTR development financing (**)	112,152,000	1,692,883	-	-	1,692,883
Total development financing	**678,419,228**	**125,561,716**	**6,411,196**	**-**	**131,972,912**
Green bond issue	325,000,000	-	-	318,994,440	318,994,440
Revolving credit facility	55,000,000	-	-	-	-
Commercial paper (*)	150,000,000	-	44,367,965	-	44,367,965
Lease liabilities (*)	-	-	1,566,314	2,660,846	4,227,160
Total corporate debt	**530,000,000**	**-**	**45,934,279**	**321,655,286**	**367,589,565**
Interest on development financing	-	-	1,111,694	-	1,111,694
Interest on corporate debt	-	-	4,911,108	-	4,911,108
Other liabilities	-	-	(538,581)	104,360	(434,221)
Total other liabilities	**-**	**-**	**5,484,221**	**104,360**	**5,588,581**
Total borrowings and other liabilities	**1,208,419,228**	**125,561,716**	**57,829,696**	**321,759,646**	**505,151,058**

(*) Unsecured debt
(**) Mortgage loans

At 31 March 2024, non-current debt accounted for 85.08% of the total (88.63% at 31 March 2023).

Developer loans

At 31 March 2024, the AEDAS Group had arranged mortgages in an aggregate amount of 666,629,839 euros to finance 101 developments (31 March 2023: 561,609,370 euros financing 88 developments). The balance drawn down at 31 March 2024, recognised using the amortised cost method, was 146,744,887 euros (31 March 2023: 125,690,738 euros). These mortgages carry interest at Euribor plus spreads ranging between 199 and 300 basis points.

Of the 666,629,839 euros arranged, a balance of 66.4 million euros was restricted in respect of down payments received from customers, which are recorded in the buyers' account (so avoiding double financing the development via down payments and loans), so that the drawdown limit stands at 600.2 million euros. Of that total, the face value of the amount drawn down is 150,677,967 euros (amortised cost: 146,744,887 euros), so leaving undrawn developer loans at up to 449.5 million euros.

The undrawn loans become available for draw down as the following two milestones are met: (i) attainment of a specific volume of sales contracts at each development (a percentage that can change from one development to the next but in all instances exceeds 30%); (ii) execution and invoicing of each development milestone.

At 31 March 2024, the progress made on the Group's developments qualified it to draw down an additional 12.61 million euros corresponding to supplier invoices authorised and not drawn as they are not yet due.

At 31 March 2023, the progress of the Group's developments qualified it to draw down an additional 14.03 million euros corresponding to supplier invoices already paid and, therefore, tied to delivery of the milestones indicated above.

Land financing

At 31 March 2024, the Group recognised a mortgage to fund the acquisition of land with a face value of 1,223,878 euros; that mortgage accrues interest at 12-month Euribor plus a spread of 250 basis points.

Corporate debt

At 31 March 2024, the Group recognised two corporate loans that fund the recovery of land costs with a total face value of 23,014,381 euros; they accrue interest at 3-month Euribor plus a spread of between 250 and 300 basis points.

These loans are not secured. The balance recognised at 31 March 2024 using the amortised cost method was 22,671,804 euros.

Build-to-rent (BTR) development financing

On 22 July 2021, Group subsidiary Aedas Homes Rental, S.L.U. (formerly, Facornata Servicios y Gestiones, S.L.U.) closed a financing agreement with investment firm Iberia Private Real Assets Credit, SCSp in the amount of 112,152,000 euros in order to partially finance the construction cost of 10 build-to-rent (BTR) projects. The loan agreement has a term of four years from the close date and bears interest at 3-month Euribor plus 500 basis points (the applicable benchmark rate is zero if Euribor is negative).

The facility can be drawn down as the following conditions are met, among others: (i) The contribution by the AEDAS Homes Group of 40% of the developments' construction costs; and (ii) execution and invoicing of each development milestone.

At 31 March 2024, eight of the financed developments were finished and had been delivered so that the effective limit was 44,383,690 euros. At 31 March 2024, the facility was drawn down by a nominal amount of 9,084,449 euros. The balance recognised at 31 March 2024 using the amortised cost method was 9,044,808 euros.

At 31 March 2023, five of the financed developments were finished and had been delivered so that the effective limit was 67,321,503 euros. At 31 March 2023, the facility was drawn down by a nominal amount of 1,858,466 euros. The balance recognised at 31 March 2023 using the amortised cost method was 1,692,883 euros.

To secure that financing, a mortgage promise was granted over the properties. The loan agreement also entails the following covenants for Aedas Homes Rental, S.L.U. (formerly, Facornata Servicios y Gestiones, S.L.U.):

a) A loan-to-cost (LTC) ratio of no more than 75% each quarter.
b) A loan-to-value (LTV) ratio of no more than 60% each quarter.
c) A minimum cash balance of 750,000 euros.

Aedas Homes Rental, S.L.U. was compliant with all of the related covenants a 31 March 2024 and 31 March 2023.

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

The maturity profile of the loans classified within current liabilities that fall due in the long term by their maximum remaining contractual maturity (i.e., assuming they are not cancelled upon the sale of the homes they finance):

Maturity	**Euros**	
	Current	
	31 Mar. 2024	31 Mar. 2023
31 Mar. 2025	-	8,341,707
31 Mar. 2026	13,744,821	7,553,005
31 Mar. 2027	15,899,225	4,208,519
31 Mar. 2028	7,707,894	3,318,403
31 March 2029 and beyond	118,898,312	102,140,082
	156,250,252	**125,561,716**

Green bonds

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

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

The green bonds constitute senior secured debt of the Issuer. Specifically, they are secured by (i) a personal guarantee extended by AEDAS; (ii) a first-ranking pledge, under Spanish law, over all of the share capital of the Issuer; and a (iii) a first-ranking pledge, under Spanish law, over all of AEDAS Group's credit claims as a result of any intra-group loans.

The gross proceeds were used by the subsidiary for general corporate purposes, including the repayment of existing corporate borrowings, reinforcement of liquidity and payment of the fees and charges related with the issue. That subsidiary has earmarked an amount equivalent to the net proceeds to financing eligible green buildings.

In February 2024, AEDAS HOMES OPCO, S.L.U. repurchased bonds with a face value of 1,564,000 euros on the open market, leaving bonds with a face value of 323,436,000 euros outstanding.

To meet potential contingencies, the bond issue has an associated back-up revolving facility. The limit on that facility is 55 million euros and it matures on 15 May 2026. That facility accrues a variable rate of interest on the amount drawn of Euribor plus a spread of between 2% and 3%, depending on the value of the Net Secured Loan-to-Value ratio, subject to a floor of 0% if Euribor is negative. The facility also accrues a commitment fee of 30% of the spread. That facility was fully undrawn at both reporting dates.

Lastly, the bonds imply compliance with certain covenants; breach of those covenants would limit the ability to pursue certain transactions outside the ordinary course of the Group's business. Compliance with those covenants at 31 March 2024 and 31 March 2023 was as follows:

	31 Mar. 2024	31 Mar. 2023
Pari Passu Senior Secured Loan to Value Ratio	4.4%	12.1%
Net Total Loan to Value Ratio	17.6%	15.1%
Net Secured Total Loan to Value Ratio	12.4%	12.1%

The net loan amounts used to calculate the covenanted ratios are shown in the table below. Starting from gross debt (as calculated in note 15.2), for both ratios, the non-recourse debt at certain subsidiaries (developer loans at SPVs) is excluded. Additionally:

- For the Net Total LTV Ratio, the figure is grossed up by leases and land payments deferred in the long term.
- For the Net Secured Total LTV Ratio, commercial paper is eliminated.

	Year ended 31 March 2024	
	Net Total LTV	**Net Secured LTV**
Gross debt	**549,098,472**	**549,098,072**
Leases	2,666,317	-
Land payments deferred in the long term	21,536,402	-
Corporate debt not secured by mortgages	-	(22,981,581)
Commercial paper issues	-	(48,722,316)
Developer debt at SPVs	(9,681,414)	(9,681,414)
Adjusted gross debt	**563,619,777**	**467,713,161**
Unrestricted cash	(239,464,775)	(239,464,777)
Adjusted net total loan | Secured	**324,155,002**	**228,248,383**

Commercial paper

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

The Parent issued a total of 189.1 million euros of commercial paper under the programme during the year ended 31 March 2024 and it repaid 190.6 million euros of commercial paper at maturity, leaving an outstanding balance of 43.2 million euros due on several dates between the reporting date and September 2024. The effective annual cost of the commercial paper issues is 5.06%.

On 27 July 2023, the Parent registered another new commercial paper programme with AIAF, another Spanish alternative fixed income market, under which it can issue up to 100,000,000 euros of paper with terms of between three and 364 calendar days, similarly in order to diversify the Group's sources of financing.

The Parent issued a total of 6.10 million euros of commercial paper under the programme during the year ended 31 March 2024 and it repaid zero euros of commercial paper at maturity, leaving an outstanding balance of 6.10 million euros due on several dates between the reporting date and March 2025. The effective annual cost of the commercial paper issues is 5.42%.

Commercial paper is initially recognised at the fair value of the consideration received plus directly attributable transaction costs. Subsequently, the implicit interest on the paper is accrued using the effective interest rate on the transaction so that the carrying amount of these borrowings is adjusted for the interest accrued. The commercial paper issued by the Company was carried, using the effective interest rate method, at 48,722,316 euros at 31 March 2024 (44,367,965 euros at 31 March 2023).

Overdraft credit facility

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

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

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

This facility was undrawn at 31 March 2024.

15.2 Trend in borrowings

Changes in liabilities arising from financing activities

Below is an account of the changes in liabilities resulting from the Group's financing activities during the year ended 31 March 2024, distinguishing between those that gave rise to inflows and outflows of cash and those that did not:

	Non-current bank borrowings	Non-current commercial paper and bonds	Other non-current liabilities	Current bank borrowings	Current borrowings from related parties	Current commercial paper and bonds	Other current liabilities	TOTAL
As at 1 April 2022	**-**	**317,416,728**	**1,195,581**	**105,496,538**	**-**	**42,460,562**	**1,929,099**	468,498,508
Changes derived from financing cash flows (2)	-	-	-	127,698,180	-	5,629,606	-	133,327,786
Changes arising from obtaining or losing control of subsidiaries or other businesses	-	-	-	-	-	-	-	-
Assumption of developer loans	-	-	-	(99,960,359)	-	-	-	(99,960,359)
Interest accrued without an impact on financing cash flows	-	1,577,712	-	399,315	-	1,188,905	-	3,165,932
Other changes	-	-	7,670	(549,067)	-	-	(1,705,439)	(2,246,836)
Payable to fixed-asset suppliers - Lease agreements	-	-	1,561,955	-	-	-	804,073	2,366,028
Amounts transferred to 'current' without an impact on financing cash flows	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	**-**	318,994,440	**2,765,206**	**133,084,427**	**-**	**49,279,073**	**1,027,733**	**505,150,879**
Changes derived from financing cash flows (1)	-	-	-	(640,924,617)	-	799,485,846	-	158,561,229
Assumption of developer loans	-	-	-	(107,846,141)	-	-	-	(107,846,141)
Interest accrued without an impact on financing cash flows	-	4,833,994	-	196,523	-	-	-	5,030,517
Other changes	-	-		-	-	-	(2,588,123)	(2,588,123)
Payable to fixed-asset suppliers - Lease agreements	-	-	588,180	-	-	-	(293,362)	294,818
Balance as at 31 March 2024	**-**	**323,828,434**	**3,353,386**	**(615,489,808)**	**-**	**848,764,919**	**(1,853,752)**	**558,603,359**

(1) During the year ended 31 March 2024, the net cash inflow related with bank borrowings amounted to 799,485,846 euros, made up of developer loan drawdowns of 1,025,085,845 euros, offset by developer loan repayments on delivery of housing units of 107,846,141 euros..

(2) During the year ended 31 March 2023, the net cash inflow related with bank borrowings amounted to 127,698,180 euros, made up of developer loan drawdowns of 449,649,239 euros, offset by developer loan repayments on delivery of housing units of 321,951,059 euros.

16. Trade and other payables

The breakdown of this heading at 31 March 2024 and 31 March 2023:

	Euros	
	31 Mar. 2024	31 Mar. 2023
Trade payables	199,236,785	187,661,219
Payable for services received	18,557,803	9,426,962
Employee benefits payable	4,111,608	3,924,768
Current tax liabilities (note 17)	33,997,806	28,653,718
Taxes payable (note 17)	72,235,598	48,068,853
Customer prepayments (note 11)	162,063,575	194,760,470
Total	**490,203,175**	**472,495,990**

The movement in "Trade and other payables" during the year ended 31 March 2024 broken down between the amounts presented in the statement of cash flows and non-cash movements is provided below:

	Euros		
	31 Mar. 2024	31 Mar. 2023	Change
Trade payables	199,236,785	187,661,218	11,575,567
Payable for services received	18,557,803	9,426,962	9,130,841
Employee benefits payable	4,111,608	3,924,768	186,840
Current tax liabilities (note 17)	33,997,806	28,653,718	5,344,088
Taxes payable (note 17)	72,235,598	48,068,853	24,166,745
Customer prepayments (note 11)	162,063,575	194,760,470	(32,696,895)
Total	**490,203,175**	**472,495,989**	**17,707,188**

Trade and other payables includes the land purchase payments deferred (note 11) and amounts withheld from contractors to secure performance of their contractual obligations in the amount of 26,971,778 euros (31 March 2023: 38,998,444 euros).

The customer prepayments account reflects the sums collected from customers before the exchange of deeds which are equivalent to around 20%-30% of the home sales price (note 12).

The movement in "Trade and other payables" during the year ended 31 March 2023 broken down between the amounts presented in the statement of cash flows and non-cash movements is provided below:

	Euros		
	31 Mar. 2023	31 Mar. 2022	Change
Trade payables	187,661,218	164,670,033	22,991,186
Payable for services received	9,426,962	7,088,316	2,338,646
Employee benefits payable	3,924,768	4,009,964	(85,196)
Current tax liabilities (note 17)	28,653,718	15,915,738	12,737,980
Taxes payable (note 17)	48,068,853	32,472,311	15,596,542
Customer prepayments (note 11)	194,760,470	216,223,004	(21,462,534)
Total	**472,495,989**	**440,379,366**	**32,116,624**

The movement in "Trade and other payables" during the year ended 31 March 2023 generated a net cash inflow of 4,537,791 euros, of which an inflow of 7,904,424 euros originated from cash generated by the purchase and sale of land and a cash outflow of 3,366,632 euros related to changes in working capital unrelated to land purchases and sales.

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

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

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

	Year ended 31 March 2024	Year ended 31 March 2023
	Days	Days
Average supplier payment term	59.71	56.22
Paid transactions ratio	60.78	57.78
Outstanding transactions ratio	50.26	35.85
	Euros	Euros
Total payments made	837,803,859	636,202,004
Total payments outstanding	95,202,618	48,763,937

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

Exclusively for the purposes of this Resolution, suppliers are trade creditors in respect of amounts due in exchange for the goods and services supplied presented under "Trade and other payables" and "Payable for services received" in current liabilities in the accompanying balance sheet and do not include the land purchase payments that have been deferred (note 11).

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

The table below presents the monetary amount and number of invoices paid within the legal deadline, as required under article 9 of Spanish Law 18/2022 on business creation and growth:

	Year ended 31 March 2024	Year ended 31 March 2023
Monetary value of invoices paid within the legally stipulated deadline (euros)	380,735,041	340,811,314
Percentage of total payments made	*40%*	*36%*
Number of invoices paid within the legally stipulated deadline	45,004	50,510
Percentage of total invoices paid	*80%*	*80%*

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

17. Taxes payable and receivable and tax matters

17.1 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 31 March 2024,, the Parent and the rest of the companies in its Group had all their tax returns open to inspection for all required years.

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

17.2 Taxes payable and receivable

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

	Euros			
	31 Mar. 2024		31 Mar. 2023	
	Current	Non-current	Current	Non-current
Taxes payable:				
VAT and Canary Islands Indirect Tax payable	(52,842,232)	-	(33,246,787)	-
Payable in respect of withholdings	(4,090,169)	-	(2,094,771)	-
Other taxes payable to the tax authorities	(14,856,487)	-	(12,283,491)	-
Social Security contributions payable	(446,711)	-	(443,804)	-
Taxes payable (note 16)	**(72,235,599)**	**-**	**(48,068,853)**	**-**
Current tax liabilities	**(33,997,806)**	**-**	**(28,653,718)**	**-**
Taxes receivable:				
VAT and Canary Islands Indirect Tax receivable	8,925,417	-	8,437,197	-
Withholdings and payments on account receivable	-	-	-	-
Social Security contributions receivable	800,000	-	800,000	-
Taxes receivable (note 12)	**9,725,417**	**-**	**9,237,197**	**-**
Current tax assets	**175,349**	**-**	**104,201**	**-**
Deferred tax assets	-	6,921,748	-	5,304,792
Deferred tax liabilities	-	(600,518)	-	(260,416)
Net amount	**(96,332,639)**	**6,321,230**	**(67,381,173)**	**5,044,376**

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

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

	Euros	
	31 Mar. 2024	31 Mar. 2023
Profit before tax	146,889,528	137,351,743
Permanent differences	5,508,811	(8,400,696)
Temporary differences	3,906,563	(843,525)
Taxable income/(tax loss) before utilisation of tax losses/credits	**156,304,902**	**128,107,522**
Capitalisation reserve	(402,642)	(787,937)
Utilisation of previously unrecognised tax losses	-	-
Utilisation of previously recognised tax losses	(1,375,407)	(5,491,814)
Limit on utilisation of tax losses (Law 38/2022)	642,609	-
Taxable income	**155,169,462**	**121,827,771**
Tax rate	25%	25%
Tax accrued (current tax expense)	(38,792,366)	(30,456,943)
Utilisation of recognised tax losses from prior years	(343,852)	(1,372,954)
Capitalisation of unused tax losses arising in the current year	160,652	-
Capitalisation of unused tax losses arising in prior years	-	-
Recognition/(utilisation) of deductible temporary differences - current year	976,641	(210,881)
Adjustment for prior-year income tax (current tax expense)	-	30,725
Adjustment for prior-year income tax (deferred tax expense)	78,216	64,119
Current tax expense	**(38,792,366)**	**(30,426,218)**
Deferred tax income/(expense)	**871,657**	**(1,647,954)**

The settlement of income tax breaks down as follow:

	Euros	
	FY 2023/24	FY 2022/23
Profit before tax	146,889,528	137,351,743
Permanent differences	5,508,811	(8,400,696)
Temporary differences	3,906,563	(843,525)
Taxable income/(tax loss) before utilisation of tax losses/credits	**156,304,902**	**128,107,522**
Capitalisation reserve	(402,642)	(787,937)
Utilisation of previously unrecognised tax losses	-	-
Utilisation of previously recognised tax losses	(1,375,407)	(5,491,814)
Limit on utilisation of tax losses (Law 38/2022)	642,609	-
Taxable income	**155,169,462**	**121,827,771**
Tax rate	25%	25%
Gross tax payable before tax deductions and credit	**38,792,366**	**30,456,943**
Deductions	-	-
Credit	-	-
Tax payable before withholdings and payments on account	**38,792,366**	**30,456,943**
Withholdings	(181,134)	(92,226)
Payments on account	(4,613,425)	(1,710,999)
Tax payable (+) / receivable (-)	**33,997,807**	**28,653,718**

17.4 Deferred tax

The breakdown of deferred tax assets by Group company at 31 March 2024 and 31 March 2023:

	Euros	
	31 Mar. 2024	31 Mar. 2023
AEDAS HOMES S.A.	3,262,807	2,085,859
Other Group companies	3,658,941	3,218,933
TOTAL	**6,921,748**	**5,304,792**

The reconciliation of deferred taxes at the beginning and end of the year ended 31 March 2024 is shown below:

	Euros			
	31 Mar. 2023	**Changes recognised in**		**31 Mar. 2024**
	Opening balance	**Statement of profit or loss**	**Equity**	**Closing balance**
Deferred tax assets				
Unused tax losses	401,568	88,045	-	489,613
Deductible temporary differences	4,903,224	1,528,911	-	6,432,135
Total deferred tax assets	**5,304,792**	**1,616,956**	**-**	**6,921,748**
Deferred tax liabilities		-	-	-
Taxable temporary differences	(260,416)	(340,102)	-	(600,518)
Total deferred tax liabilities	**(260,416)**	**(340,102)**	**-**	**(600,518)**
Total net deferred tax assets	**5,044,376**	**1,276,854**	**-**	**6,321,229**

The movement in deferred tax assets and liabilities during the year ended 31 March 2024 originated mainly from the utilisation 88,045 euros of tax losses and a decrease due to the utilisation and net reversion of deductible temporary differences in the amount of 1,188,809 euros (mainly related to differences between the carrying amounts and tax bases of certain assets and the provisions for the Group's two long-term incentive plans).

The reconciliation of deferred tax assets at the beginning and end of the year ended 31 March 2023:

	Euros			
	31 Mar. 2022	Changes recognised in		31 Mar. 2023
	Opening balance	Statement of profit or loss	Equity	Closing balance
Deferred tax assets				
Unused tax losses	1,850,706	(1,449,138)	-	401,568
Deductible temporary differences	5,101,955	(198,731)	-	4,903,224
Total deferred tax assets	**6,952,661**	**(1,647,869)**	**-**	**5,304,792**
Deferred tax liabilities				
Taxable temporary differences	(260,416)	-	-	(260,416)
Total deferred tax liabilities	**(260,416)**	**-**	**-**	**(260,416)**
Total net deferred tax assets	**6,692,245**	**(1,647,869)**	**-**	**5,044,376**

The movement in deferred tax assets and liabilities during the year ended 31 March 2023 originated mainly from the utilisation 1,449,138 euros of tax losses and a decrease due to the utilisation and net reversion of deductible temporary differences in the amount of 198,731 euros (mainly related to differences between the carrying amounts and tax bases of certain assets and the provisions for the Group's two long-term incentive plans).

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

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

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

- The asset appraisal provided by Savills Valoraciones y Tasaciones, S.A.U. which points to a gross asset value (GAV) of 1,908,460 euros (assuming an ownership interest of 100%) (note 11).

On the basis of the foregoing, the Parent's directors expected that it will be able to utilise all of the tax assets recognised in respect of unused tax credits in 2025.

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

The balance of sureties extended to customers to guarantee their down payments stood at 106,140,680 euros at 31 March 2024 (146,551,174 euros at 31 March 2023). The total limit on surety lines extended stood at 432,734,973 euros at 31 March 2024 (337,046,317 euros at 31 March 2023). The Group also extended surety insurance, which was drawn down by 91,021,448 euros at 31 March 2024 (66,101,887 euros at 31 March 2023). The total limit on the surety insurance arranged stood at 420,418,699 euros at 31 March 2024 (188,179,619 euros at 31 March 2023).

Performance bonds stood at 47,905,186 euros at 31 March 2024 (48,788,173 euros at 31 March 2023).

At every year-end, the Group assesses the amounts needed to cover potential liabilities under ongoing lawsuits and recognises provisions as required.

At 31 March 2024, a total of 14,328 thousand euros of claims were being sought from the Group companies, of which 12,696 thousand euros related to claims received as a result of the termination of works contracts with contractors who breached their obligations (18,300 thousand euros and 13,579 thousand euros, respectively, at 31 March 2023). That amount has not been provided for as the directors have classified the likelihood of an outflow of economic resources as a result of these liabilities as 'possible' on the basis of reports furnished by their outside legal counsel.

At 31 March 2024, the Group was also party to lawsuits seeking 5,496 thousand euros. Having analysed those lawsuits in detail, it has recognised provisions totalling 2,627,014 euros in respect of the cases for which the possibility of an outflow of resources is considered probable (31 March 2023: 4,721 thousand euros, of which 624 thousand euros was recognised under trade payables and the remainder, within provisions). During the year ended 31 March 2024, the Group recognised additional provisions of 1,582 thousand euros against operating expenses (FY 2022/23: the Group recognised 96 thousand euros of provisions for lawsuits against gross profit).

19. Income and expenses

19.1 Revenue

The breakdown of revenue in the years ended 31 March 2024 and 31 March 2023:

	Euros	
	Year ended 31 March 2024	Year ended 31 March 2023
Land sales	185,749,185	30,182,000
Sale of developments	949,541,472	883,863,618
Lease of developments	324,308	695,724
Provision of real estate services	9,053,902	5,070,923
Total	**1,144,668,867**	**919,812,265**

Revenue from the sale of developments amounted to 949,217,412 euros in the year ended 31 March 2024 and derived from the delivery of 2,839 homes across 113 developments (FY 2022/23: 883,863,618 euros from the delivery of 2,730 homes across 104 developments).

Revenue from the provision of real estate services was generated mainly by management services for Plan Vive, Madrid's affordable rental housing scheme, and the provision of management and sales services to co-investment vehicles.

The Group's subsidiaries sold land for a total of 185,749,185 euros in the year ended 31 March 2024 (30,182,000 euros in FY 2022/23) (note 11).

All revenue from sales and services was generated in Spain.

In the year ended 31 March 2024, the Group delivered 2,839 homes (excluding the homes delivered by the Real Estate Services division). Of the total, 383 of the homes delivered (13.5%) were BTR units and accounted for 7.4% of revenue from the sale of developments, at a gross development margin of 13.1% (compared to a gross development margin of 24.3% on the sale of the BTS units). The Group's total gross profit from development amounted to 256 million euros, implying a blended gross development margin of 22.4%.

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

Against that backdrop, during the year ended 31 March 2024, the Group sold land for 186 million euros, of which 58 million euros related to its customary asset turnover strategy. The gross margin on those recurring land sales was 17.2%. The remaining 128 million euros of revenue from land sales originated from the sale of land to vehicles in which the Group has purchased non-controlling interests. The gross margin on those land sales was 16.6%. The land sales generated a gross profit of 30.1 million euros, implying a blended sales margin of 16.6%.

In addition to the land sold, the Group also sold the associated developments, at varying stages of development, to these co-investment vehicles. Under the terms of the agreements reached with those vehicles' majority shareholders, the sales of those developments did not generate any margin for the Group.

	Euros			Growth, %	
	Year ended 31 March 2024	Year ended 31 March 2023	Change	By line	Contribution to total growth
Land sales	185,749,185	30,182,000	155,567,185	515.4%	16.91%
Sale of developments	949,541,472	883,863,618	65,677,854	7.4%	7.14%
Lease of developments (note 5)	324,308	695,724	(371,416)	(53.4%)	(0.04%)
Provision of real estate services	9,053,902	5,070,923	3,982,979	78.55%	0.43%
Total	**1,144,668,867**	**919,812,265**	**224,856,602**	**24.45%**	**24.45%**

Total revenue from sales and services increased by 24.4% year-on-year to 1,144,668,867 euros, of which 949,217,164 euros was generated by the delivery of homes, 185,749,186 euros by the sale of land and 9,378,211 euros by the provision of real estate services. 7.1 percentage points of this growth was attributable to the sale of developments (where revenue increased by 7.4% year-on-year). That revenue was generated by the delivery of 2,839 homes (whose average sales price increased by 3% year-on-year). Of those, 383 homes were Build-to-Rent units, which contributed 7.4% of total revenue from the sale of housing at an average development margin of 13.1% (versus a development margin of 24.3% in the Build-to-Sell division). 15 percentage points was attributable to the sale of land (where revenue increased by 457.8% year-on-year) against the backdrop of the Group's strategy of enhancing shareholder remuneration by analysing and identifying sites that are not expected to be put on the market immediately or no longer expected to generate the initially contemplated returns.

19.2 Cost of goods sold and services rendered

The breakdown of the direct cost of sales recognised in the statement of profit or loss for the years ended 31 March 2024 and 31 March 2023:

	Euros	
	Group total	
	Year ended 31 March 2024	Year ended 31 March 2023
Changes in inventories of finished goods and work in progress	(76,477,720)	143,679,778
Consumption of inventories	(712,804,046)	(741,692,959)
Change in land inventories	(92,570,122)	(78,403,149)
Impairment of finished goods and work in progress	-	3,392
Impairment of land inventories	-	-
Direct cost of sales	**(881,851,888)**	**(676,412,938)**
Direct costs of services provided	**(6,331,380)**	**(2,068,182)**
Total cost of goods sold and services rendered	**(888,183,268)**	**(678,481,120)**

The movement in the direct costs attributed to the Real Estate Services division relates to the scope of the new co-investment projects, which is being expanded to leverage the teams in place at the Regional Branches. During the year ended 31 March 2023, those expenses only reflected the cost of the staff providing those services directly from this business division.

	Year ended 31 March 2024	Year ended 31 March 2023	Change	Growth by line, %	Contribution to growth in gross profit, %
Revenue from the delivery of developments sold	949,541,472	884,559,342	64,982,130	7.3%	
Direct costs of developments sold	(726,975,534)	(648,630,877)	(78,344,657)	12.1%	
Gross profit from development	**222,565,938**	**235,928,465**	**(13,362,528)**	**(5.4%)**	**(5.6%)**
Gross margin on development	**23.4%**	**26.7%**	**(3.3%)**		
Revenue from land sales	185,749,185	30,182,000	155,567,185	515.4%	
Direct costs of land sales	(154,876,354)	(27,782,061)	(127,094,293)	457.5%	
Gross profit from land sales	**30,872,831**	**2,399,939**	**28,472,892**	**1186.4%**	**11.8%**
Gross margin on land sales	**16.6%**	**8.0%**	**(8.60%)**		
Revenue from services	9,378,210	5,070,923	4,307,287	84.9%	
Direct costs of services provided	(6,331,380)	(2,068,182)	(4,263,198)	206.1%	
Gross profit from services	**3,046,830**	**3,002,741**	**44,089**	**1.5%**	**0.0%**
Gross margin on services	**32.5%**	**59.2%**	**(26.7%)**		
Revenue	**1,144,668,869**	**919,812,265**	**224,856,604**	**24.5%**	
Cost of sales	**(888,183,268)**	**(678,481,120)**	**(209,702,149)**	**30.9%**	
GROSS PROFIT	**256,485,600**	**241,331,145**	**15,154,454**	**6.3%**	**6.3%**
GROSS MARGIN	**22.4%**	**26.2%**	**(3.8%)**		

The gross profit generated by the sale of homes, sale of land and provision of real estate services increased by 6.3% year-on-year. Gross profit from development decreased by 5.4%.

The sale of land contributed 11.8 percentage points to the growth in total gross profit. The gross profit from the sale of land increased year-on-year and the gross margin in this line increased to 16.6%. The contraction in the gross margin on the provision of services is attributable to the allocation of fixed overhead to this division as the new co-investment vehicles' management and sales services are being provided by the Regional Branches.

19.3 General expenses and average headcount

General expenses break down as follows:

	Euros	
	Year ended 31 March 2024	Year ended 31 March 2023
Receivable from employees	(21,656,705)	(22,986,109)
Share-based payment transactions	(6,521,701)	(4,771,761)
Leases	(619,091)	(340,976)
Repairs and upkeep	(2,499,523)	(3,053,093)
Professional services	(4,914,909)	(5,639,686)
Insurance premiums	(188,274)	(213,455)
Advertising and publicity	(1,860,695)	(2,136,588)
Utilities	(58,915)	(65,053)
Other services and taxes	(2,820,894)	(2,577,962)
Financial costs and services	(479,338)	(550,769)
Total general expenses	**(41,620,045)**	**(42,335,452)**

“Share-based payment transactions” reflects the provisions made by the Group for the LTIP and New Incentive described in note 14.9). That provision was 1,749,940 euros, or 36%, higher year-on-year.

“Repairs and upkeep” mainly reflect IT maintenance costs. The year-on-year growth reflects the Group’s investment in software applications to speed up and improve its administrative and business processes to make them more efficient.

A portion of overhead was allocated as direct costs to the Real Estate Services division in FY 2023/24 as these services are now being provided by the Regional Branches.

In the year ended 31 March 2024, the Group companies’ headcount averaged 308 (FY 2022/23: 304 people).

The breakdown, by job category, of the year-end headcount is shown below:

	31 Mar. 2024			31 Mar. 2023		
	Men	Women	Total	Men	Women	Total
Graduates	112	96	208	107	95	202
Diploma holders	36	34	70	33	36	69
Other	11	23	34	12	20	32
Total	**159**	**153**	**312**	**152**	**151**	**303**

At 31 March 2024, the Group employed two professionals with a disability of a severity of 33% or more (one professional at 31 March 2023).

19.4 Finance costs

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

	Euros	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense	**(41,675,327)**	**(32,131,137)**
Bank borrowings	(24,284,317)	(16,122,141)
Notes and commercial paper	(17,391,010)	(15,795,524)
Leases and other liabilities	-	(213,472)
Stamp duty and sureties	(11,536,027)	(13,823,717)
Total finance costs	**(53,211,354)**	**(45,954,854)**
Borrowing costs capitalised in inventories	27,115,017	23,495,516
Finance costs net of capitalised borrowing costs	**(26,096,336)**	**(22,459,338)**

The Group’s finance costs net of capitalised borrowing costs increased year-on-year due mainly to higher borrowing costs associated with completed developments (those costs cannot be capitalised) and the drawdown of corporate debt whose cost is benchmarked against a rate that climbed 389 basis points between April 2023 and March 2024.

19.5 EBITDA

	Year ended 31 March 2024	Year ended 31 March 2023	Change	Growth by line, %	Contribution to growth in ADJUSTED EBITDA, %
GROSS PROFIT	**256,485,599**	**241,331,145**	**15,154,454**	**6.3%**	**9.2%**
GROSS MARGIN	**22.4%**	**26.2%**	**(3.8%)**		
Marketing	(11,230,151)	(15,811,103)	4,580,952	(29.0%)	2.8%
Sales	(17,838,378)	(17,298,671)	(539,707)	3.1%	(0.3%)
Other direct development costs	(2,908,045)	(3,129,627)	221,582	(7.1%)	0.1%
Taxes related with developments	(11,086,352)	(8,980,055)	(2,106,297)	23.5%	(1.3%)
NET MARGIN	**213,422,673**	**196,111,689**	**17,310,984**	**8.8%**	**10.5%**
NET MARGIN, %	**18.60%**	**21.32%**	**(2.52%)**		
General expenses	(35,098,343)	(37,563,691)	2,465,348	(6.6%)	1.5%
General expenses - Share-based payment transactions	(6,521,701)	(4,771,762)	(1,749,939)	36.7%	(1.1%)
Other operating income	1,530,047	2,003,625	(473,578)	(23.6%)	(0.3%)
Other operating expenses	(440,043)	(269,902)	(170,141)	63.0%	(0.1%)
Gain on a bargain purchase	-	-	-	0.0%	0.0%
EBITDA	**172,892,633**	**155,509,959**	**17,382,671**	**11.2%**	**10.6%**
EBITDA MARGIN	**15.10%**	**16.91%**	**(1.61%)**		
Margin on strategic land	-	8,704,443	(8,704,443)		(5.3%)
ADJUSTED EBITDA	**172,892,633**	**164,214,403**	**8,678,228**	**5.3%**	**5.3%**

EBITDA plus the margin on strategic land, of 9 million euros, understood as the gain derived from the restatement to fair value of sites acquired via the exchange of shareholdings in associates devoted to the management of strategic land in which the Group held a minority interest.

The direct costs associated with the sale of developments decreased by 2,156,530 euros year-on-year due to the sale of certain developments to co-investment vehicles.

Deducting those direct costs from the Group's gross profit yields a net margin of 256,485,599 euros, equivalent to 22.4% of total revenue.

Adjusted EBITDA[1] increased by 8,678,229 euros, or 5.3%, year-on-year, underpinned by the growth in gross profit, of 15,154,454 euros, so making a 9.2 percentage point contribution to the growth in adjusted EBITDA. Another two line items included in the net margin calculation contributed 10.5 percentage points to the growth in adjusted EBITDA. Specifically, overhead totalled 35,098,344 euros (-6.6% year-on-year), of which 28,178,406 euros related to staff costs. The cost of the LTIP and New Incentive increased by 1,749,939 euros year-on-year. As a result, general expenses made a positive contribution to the growth in adjusted EBITDA. The growth in EBITDA (before the margin on strategic land) amounted to 11.2%. The absence of any margin on strategic land in FY 2023/24 reduced the growth in Adjusted EBITDA to 5.3%.

[1] In FY 2022/23, EBITDA plus the margin on strategic land, of 8,704,443 euros, understood as the gain derived from the restatement to fair value of sites acquired via the exchange of shareholdings in associates devoted to the management of strategic land in which the Group held a minority interest.

20. Related-party transactions

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

The main transactions completed with related parties in the year ended 31 March 2024:

- Shareholder contributions and loans extended to associates.
- Contracts entered into with associates: provision of management, monitoring and sale-marketing services.
- Under the scope of these activities, on 5 February 2024 the Company entered into a private agreement with Java Private Holdings S.à r.l. (the "Shareholder"), an investee owned indirectly by funds managed by King Street Capital Management, L.P. ("King Street"), for the development, through a joint venture (the "JV"), of homes for sale to individuals (Build-to-Sell, or BTS) in Spain. The targeted amount of capital to be committed by the Company and the Shareholder totals 270 million euros: 150 million euros is being committed to seven mid-stream BTS developments (682 homes) that the Company is already working on and the remaining 120 million euros are to be committed, within a deadline of 18 months, to new investments in ready-to-build residential sites in Spain. The Company has acquired a non-controlling interest in the JV, which will gradually get diluted in keeping with delivery of a series of milestones related with the degree of completion of each of the developments. The Company will act as the manager of the companies owned by the JV that are set up to develop the homes, handling end-to-end management of the developments.
- In addition, on 20 March 2024, the Company entered into an agreement with a group of Spanish investors for the development, through a joint venture (the "JV"), of two residential developments for sale to individuals (198 units) in Las Rozas (Madrid) and Zaragoza. The targeted amount of capital to be committed by the Company and that JV's shareholders totals 20 million euros. The Company holds a 24.5% interest in the JV. The Company will also handle the end-to-end management of this JV's developments.

The main transactions completed with related parties in the year ended 31 March 2023:

- Shareholder contributions and loans extended to associates.
- Contracts entered into with associates: provision of management, monitoring and sale-marketing services.
- On 20 April 2022, Aedas Homes Opco, S.L.U. entered into a private agreement with Urbania Lamatra II, S.L. for the acquisition of two sites in Sánchez Blanca (Malaga) for a total of 12,708,410 euros. At 31 March 2023, it had paid the sum of 3,955,205 euros, which was recognised under "Customer prepayments".
- On 8 February 2023, Aedas Homes Opco, S.L.U. exchanged its 10% interest in Urbania Lamatra II, S.L. for land in Sánchez Blanca (Malaga), duly exercising an exchange right held under the related shareholder agreement. As a result of that exchange, Aedas Homes Opco, S.L.U. acquired 90.06% of two sites in Sánchez Blanca (Málaga) with an "as is" market value of 8,276,505 euros via the reimbursement of contributions totalling 4,035,363 euros. Prior to the exchange, Aedas Homes, S.A. transferred to Aedas Homes Opco, S.L.U. a credit claim it held against Urbania Lamatra II, S.L. in the amount of 1,888,503 euros, derived from a loan extended to Urbania Lamatra II, S.L. in the amount of 1,613,240 euros plus accrued interest of 275,263 euros; subsequently Urbania Lamatra II, S.L. increased its share capital with Aedas Homes Opco, S.L.U. contributing that claim. On that same date, Aedas Homes Opco, S.L.U. acquired from Urbania Lamatra II, S.L. the remaining 9.94% of the sites at market value, i.e., 1,255,375 euros, plus costs passed through corresponding to those sites in the amount of 282,667 euros. Aedas Homes Opco, S.L.U. assumed the mortgage secured by those sites which amounted to 1,427 thousand euros. The gain generated by that transaction amounted to 3,348,785 euros and was recognised under "Margin on strategic land" in the consolidated statement of profit or loss for the year ended 31 March 2023 (note 10).

- On 23 March 2023, Aedas Homes Opco, S.L.U. exchanged its 25% interest in Servicios Inmobiliarios Licancabur, S.L. for land in Los Berrocales (Madrid), duly exercising an exchange right held under the related shareholder agreement. As a result of that exchange, Aedas Homes Opco, S.L.U. acquired several sites in Los Berrocales (Madrid) with an "as is" market value of 11,415,400 euros via the reimbursement of contributions totalling 6,630,438 euros. Prior to the exchange, Aedas Homes, S.A. transferred to Aedas Homes Opco, S.L.U. a credit claim it held against Servicios Inmobiliarios Licancabur, S.L. in the amount of 4,541,726 euros, derived from a loan extended to Servicios Inmobiliarios Licancabur, S.L. in the amount of 3,876,948 euros plus accrued interest of 664,777 euros; subsequently Servicios Inmobiliarios Licancabur, S.L. increased its share capital with Aedas Homes Opco, S.L.U. contributing that claim. On that same date, Aedas Homes Opco, S.L.U. acquired from Servicios Inmobiliarios Licancabur, S.L. the remaining percentage interest in two sites at market value, i.e., 5,654,820 euros, deferring 60% of that sum to 30 June 2023. The gain generated by that transaction amounted to 5,355,738 euros and was recognised under "Margin on strategic land" in the consolidated statement of profit or loss for the year ended 31 March 2023 (note 10).

The table below discloses the transactions completed with related parties during the year ended 31 March 2024 and the related-party balances as at 31 March 2024:

Year ended 31 March 2024	**Euros**		
	Income		Expenses
	Revenue		Cost of sales
	Revenue from services	Finance income	
Winslaro ITG, S.L.	365,843	458,262	-
Serv. Inmobiliarios Licancabur, S.L.	100,000	-	-
Espacio Áurea, S.L.	183,788	(745)	-
Residencial Henao, S.L.	148,687	-	-
Nature Este, S.L.	19,342	-	-
Errota Real Estate	(113,750)	-	-
Aedas KS Levante, S.L.	1,041,793	-	-
Aedas KS Iberia, S.L.	1,348,100	-	-
Aedas KS Fonsalia, S.L.	1,557,367	-	-
Aedas KS Santa Clara, S.L.	1,747,987	-	-
Java Investment Holding, S.L.	-	191,376.76	
BTS Servicios Inmobiliarios JV1, S.L.	-	21,758.83	
	6,399,157	**670,653**	**-**

31 March 2024	Euros				
	Trade and other receivables	Loans	Prepayments to suppliers	Land and plots	Trade payables
			-	-	-
Winslaro ITG, S.L.	-	1,006,914	-	-	-
Espacio Áurea, S.L.	6,971	-	-	-	-
Residencial Henao, S.L.	(2.00)	-	-	-	-
Residencial Ciudadela Uno, S.L.	161	-	-	-	-
Nature Este, S.L.	149	-	-	-	-
Varía ACR Móstoles Fuensanta, S.L.	120	-	-	-	-
Áurea Etxabakoitz, S.L.	66	-	-	-	-
Allegra Nature, S.L.	(302)	-	-	-	-
BTS Servicios Inmobiliarios JV1, S.L.	3,606,297	21,759	-	-	-
Aedas KS Levante, S.L.	7,116,065	669,765	-	-	-
Aedas KS Iberia, S.L.	2,387,933	2,052,682	-	-	-
Aedas KS Fonsalia, S.L.	(817,426)	2,991,531	-	-	-
Aedas KS Santa Clara, S.L.	5,092,747	5,034,279	-	-	-
Java Investment Holding, S.L.	-	205,721	-	-	-
	17,392,779	**11,982,651**	-	-	-

The table below discloses the transactions completed with related parties during the year ended 31 March 2023 and the related-party balances as at 31 March 2023:

Year ended 31 March 2023	Euros		
	Income		Expenses
	Revenue		External services
	Revenue from services	Finance income	
Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	-	-	-
Winslaro ITG, S.L.	275,357	260,696	-
Serv. Inmobiliarios Licancabur, S.L.	100,000	196,056	(17,070,220)
Urbania Lamatra I, S.L.	77,000	-	-
Urbania Lamatra II, S.L.	77,000	55,951	(9,814,547)
Espacio Áurea, S.L.	118,278	25,381	-
Residencial Henao, S.L.	620,993	-	-
Nature Este, S.L.	524,730	-	-
Varía ACR Móstoles Fuensanta, S.L.	310,379	31,424	-
Áurea Etxabakoitz, S.L.	245,000	-	-
Allegra Nature, S.L.	508,218	4,506	-
Errota Real Estate	113,750.00	-	-
Domus Avenida, S.L.	-	-	-
	2,970,705	**574,014**	**(26,884,767)**

31 March 2023	Euros				
	Trade and other receivables	Loans	Prepayments to suppliers	Land and plots	Trade payables
Winslaro ITG, S.L.	333,182	5,109,751	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	(10,083)	-	-	17,070,220	(3,392,892)
Urbania Lamatra II, S.L.	-	-	3,955,205	9,814,547	-
Espacio Áurea, S.L.	135,943	458,689	-	-	-
Residencial Henao, S.L.	28,413	-	-	-	-
Residencial Ciudadela Uno, S.L.	86	-	-	-	-
Nature Este, S.L.	512,827	-	-	-	-
Varía ACR Móstoles Fuensanta, S.L.	73	-	-	-	-
Áurea Etxabakoitz, S.L.	95	-	-	-	-
Allegra Nature, S.L.	(381)	-	-	-	-
	1,000,155	**5,568,440**	**3,955,205**	**26,884,767**	**(3,392,892)**

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

The members of the Parent's Board of Directors at 31 March 2024:

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

Disclosures regarding director conflicts of interest

Neither the current nor former directors of the Parent transacted with the Parent or any of its Group companies other than in the ordinary course of business or other than on an arm's length basis during the year ended 31 March 2024.

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

Director remuneration and other benefits

The members of the Board of Directors accrued 3,986,017 euros of remuneration during the year ended 31 March 2024 (3,444,973 euros in FY 2022/23), while remuneration accrued and vested at year-end amounted to 3,025,244 euros (2,155,326 euros at 31 March 2023).

Key management personnel remuneration and other benefits

The remuneration earned by the Parent's key management personnel and professionals performing similar executive duties during the years ended 31 March 2024 and 31 March 2023 is provided in the table below:

No. of recipients	**Euros**				
	Year ended 31 March 2024			Advances	
31 Mar. 2024	Fixed and variable remuneration (*)	Other remuneration (**)	Total	Number	Amount
9	2,155,687	2,751,192	4,906,879	-	-

(*) Includes the annual variable remuneration fully accrued (421,840 euros), while the amount vested in the year ended 31 March 2024 was 429,394 euros.

(**) Includes the amounts fully accrued for each of the LTIPs irrespective of the effective vesting date, while the amount vested in the year ended 31 March2024 was 1,233,333 euros.

No. of recipients	**Euros**				
	Year ended 31 March 2023			Advances	
31 Mar. 2023	Fixed and variable remuneration (*)	Other remuneration (**)	Total	Number	Amount
7	1,816,053	1,828,468	3,644,521	-	-

The Parent had no pension obligations to its key management personnel nor had it extended those professionals any advances, loans or guarantees at 31 March2024 or 31 March 2023, other than as disclosed in note 14.9.

Auditor fees

The fees accrued by the Parent's auditor, Ernst & Young, S.L., during the years ended 31 March 2024 and 31 March 2023 are shown below:

	Euros	
	Year ended 31 March 2024	Year ended 31 March 2023
Audit and related services		
Audit services	262,163	244,663
Other assurance services	78,476	78,476
Total	**340,639**	**323,139**

22. Environmental disclosures

Sustainability is a cornerstone of AEDAS Homes' business and strategy. To that end, it continues to champion projects to accelerate the inevitable transformation of the residential construction sector it has been spearheading since 2018, the year in which it created its industrialised construction business line with the aim of developing housing using modern methods of construction. The Group provides an account of its environmental protection activities and policies in its Integrated Annual Report, which can be retrieved from the Company's website and that of the CNMV from the date of publication of its annual financial statements.

23. Risk management

The Parent has drawn up a risk map. To this end, it has analysed the organisation's procedures, identifying the potential sources of risk, quantifying the related exposures and taking the opportune measures to prevent their materialisation. The Group provides an account of its risk management effort in its Integrated Annual Report, which can be retrieved from the Company's website and that of the CNMV from the date of publication of its annual financial statements.

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

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

Credit risk

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

No accounts receivable from Group companies, related parties or third parties were past due at 31 March 2024 or 31 March 2023.

Liquidity risk

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 its balance sheet as well as the credit lines and financing agreements detailed in note 15.

Cash and cash equivalents stood at 289,786,767 euros at 31 March 2024. A portion of that sum (58,272,384 euros) originates from customer down payments and can only be used to finance the construction of the associated developments. An additional amount of cash has been pledged to secure guarantees provided to customers and performance bonds and pledges related with withholdings of financing at developments under delivery (totalling 3,298,513 euros) lifting the total balance of restricted cash (except for stipulated uses) to 61,570,897 euros at 31 March 2024. As a result, unrestricted cash and cash equivalents stood at 228,207,888 euros.

In addition, the Group has a non-current revolving credit facility of 55 million euros (due 15 May 2026) and a current overdraft credit facility of 10 million euros (due 10 August 2024). As a result, the liquidity it can draw immediately totals 393,207,888 euros.

In contrast, the current maturities on its debt and financial liabilities total 79,995,872 euros, implying available liquidity net of short-term maturities of 193,746,501 euros.

All of the Group's development financing is classified within current liabilities even though 157,669,993 euros mature in the long term, for the most part developer loans (147,390,968 euros). This situation does not alter the net liquidity snapshot as developer loans are only payable before their contractual maturity if the asset is sold, in which case the Group collects the proceeds from the customer or the customer takes over the mortgage. Nevertheless, this prepayment requirement means that revenue from the sale of the assets associated with the financed developments must go first to cancelling that financing and is not available for the payment of other obligations.

Dividends likewise drain liquidity. The final dividend against earnings for the year ended 31 March 2024 will amount to 10,347,600 euros if there is no change in the number of own shares. That leaves liquidity after declared dividends of 202,864,416 euros.

Surplus liquidity in 12 months' time (as at 31 March 2024) will be affected by other financial and operating developments. It could be altered by dividends, the acquisition of own shares, business combinations and, in general cash flows from operating, investing and financing activities. In FY 2023/24, net cash from operating activities amounted to 237,461,701 euros, albeit affected by income generated by the assumption of developer loans by buyers, which is not accounted for as cash inflows.

In addition to the above-mentioned liquidity position and access to the general credit markets, the Group has two sector-specific mechanisms for raising financing for its building work: developer loans and customer prepayments. After it acquires its sites, those mechanisms cover virtually all of its financing needs during the construction period. The idea is to minimise the risk that any shortfall of liquidity could affect the ordinary course of the Group's business.

Developer loans

As disclosed in note 15, at 31 March 2024, the AEDAS Group had arranged mortgaged developer loans in an aggregate amount of 666,629,839 euros to finance 101 developments (31 March 2023: 561,609,370 euros financing 88 developments). The balance drawn down at 31 March 2024, recognised using the amortised cost method was 148,610,307 euros (31 March 2023: 125,690,738 euros). These mortgages carry interest at Euribor plus spreads ranging between 199 and 300 basis points.

Of the 666.6 million euros arranged, a balance of 66.4 million euros was restricted in respect of down payments received from customers, which are recorded in the buyers' account (so avoiding double financing the development via down payments and loans), so that the drawdown limit stands at 600.02 million euros. Of that total, the face value of the amount drawn down is 150.07 million euros (amortised cost: 125.7 million euros), so leaving undrawn developer loans at up to 449.5 million euros.

The undrawn loans become available for drawdown as the following milestones are met: (i) attainment of a specific volume of sales contracts at each development (a minimum sales percentage requirement of around 30%); (ii) development cost execution and invoicing.

At 31 March 2024, the progress of the Group's developments qualified it to draw down an additional 12.61 million euros corresponding to supplier invoices already paid and, therefore, tied to delivery of the milestones indicated above.

Customer prepayments

At 31 March 2024, the Group recognised 162,063,575 euros of customer down payments for housing units (pre-sales and private contracts), of which 25,829,452 euros correspond to payment commitments set up as direct debits. Those advances are equivalent to roughly 20% of the sale price of the associated units. Unilateral cancellation by the customer is subject to a penalty of 50% of the down payment made.

Although much of the prepayment balance has been used to build the houses, 58,272,384 euros has been set aside exclusively for execution of the corresponding developments (note 13).

This arrangement implies a liquidity risk insofar as contract termination would trigger the requirement to reimburse 50% of the down payments received. In the last 12 months, customer contract terminations have triggered the obligation to repay 2,556,765 euros, which is equivalent to 0.28% of the order book.

In addition to the above construction-specific financing mechanisms, as outlined in note 15, the Group has a Build-to-Rent (BTR) project finance facility with a limit of 44.38 million euros. At 31 March 2024, the BTR facility was drawn down by 9.08 million (face value).

Elsewhere, the Group has two registered commercial paper programmes with Spain's alternative fixed-income exchanges: a 150-million-euro programme with MARF (outstanding balance of 43.2 million euros at 31 March 2024); and a 100-million euro programme with AIAF (outstanding balance of 6.1 million euros at 31 March 2024). The main purpose of these programmes is to diversify the Group's sources of financing, providing it with non-bank financing for up to 24 months on MARF and up to 12 months on AIAF, while making the fixed-income investor community familiar with the Group. Insofar as the commercial paper programmes can involve the issuance of debt due within 12 months of the reporting date, the Group analyses it with respect to the sum of (i) developer loans immediately drawable due to supplier invoices authorised and not drawn as they are not yet due; (ii) unrestricted cash; and (iii) the undrawn non-current revolving credit facility (due 15 May 2026). At 31 March 2024, all of the commercial paper - with a face value of 49.3 million euros - was due within 12 months of the reporting date. By comparison, as of the same date, the amount available for immediate drawdown under developer loans amounted to 12.61 million euros, unrestricted cash amounted to196.6 million euros and the undrawn limit on the long-term revolving credit facility stood at 55 million euros, for a total of 210.6 million, which is 166.3 million euros more than the commercial paper due in the short term.

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

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

Market risk: interest rate risk

The Group's cash balances and certain of its borrowings expose it to interest rate risk, which could have an adverse impact on its net finance expense and cash flows. Note, however, that both the green bonds and the commercial paper issued by the Group carry fixed rates of interest and are therefore not exposed to interest rate risk. As a result, 71.9% of the Group's total borrowings (considering the amounts drawn) carried fixed interest rates at 31 March 2024. As a result, the Parent's directors have not seen fit to arrange any interest rate hedges.

A 100 basis point movement in interest rates would have increased finance costs by 3,029,517 euros in the year ended 31 March 2024 (and by 2,616,036 euros in FY 2022/23).

Market risk: interest rate risk

The Group's cash balances and certain of its borrowings expose it to interest rate risk, which could have an adverse impact on its net finance expense and cash flows. Note, however, that both the green bonds and the commercial paper issued by the Group carry fixed rates of interest and are therefore not exposed to interest rate risk. As a result, 71.9% of the Group's total borrowings (considering the amounts drawn) carried fixed interest rates at 31 March 2024. As a result, the Parent's directors have not seen fit to arrange any interest rate hedges.

A 100 basis point movement in interest rates would have increased finance costs by 3,029,517 euros in the year ended 31 March 2024 (and by 2,616,036 euros in FY 2022/23).

24. Events after the reporting date

No events have taken place since 31 March 2024 that could have a material impact on the information presented in the annual financial statements authorised for issue by the directors or that are worthy of disclosure on account of their materiality, other than that disclosed below:

- In April 2024, the AEDAS Group repaid €21.3 million of developer loans.

- In April and May 2024, the AEDAS Group arranged mortgages in an aggregate amount of €26.78 million in order to finance two developments in progress. The mortgages carry interest at Euribor plus a spread of 275 basis points.

- In order to reduce its borrowings, on 20 March 2024, the Parent launched a partial repurchase offer for up to €50 million of its green bonds. That offer was oversubscribed so that the total amount bought back ended up at €68.4 million. That offer was settled and the bonds were cancelled on 3 April 2024. As a result of this transaction, as well as the cancellation of additional bonds bought back in the open market for €1.6 million between February and March 2024, the outstanding balance on the green bond issue currently stands at 255 million euros (face value).

- At the close of trading on 24 May 2024, the Parent held 590,958 own shares, representing 1.35% of its capital; they were bought back at an average price of 16.96 euros per share. The Parent has bought back 7,698 shares representing 1.3% of its capital under the Discretionary Programme and Repurchase Programme since the end of the reporting period; they were acquired at an average price of €17.41 per share.

- On 29 May 2024, the Board of Directors agreed to pay an additional dividend (final dividend + extraordinary dividend) of 2.50 euros per share on all shares other than own shares as of the record date, as follows:

    1. A final dividend of 0.24 euros per share against earnings for the year ended 31 March 2024.

    2. The remaining 2.01 euros will be paid against the share premium account.

  As a result, assuming that on the date of distributing the proposed dividend the number of own shares is the same as at 31 March 2024 (i.e., 583,206 shares), the maximum dividend payable (including the interim and final dividend) would be 107,392,923 euros, which implies appropriating 69,472 euros to retained earnings (notes 3 and 14) and charging the sum of 87 million euros against the share premium account.

- In May 2024, AEDAS KS SANTA CLARA, SL assumed and amended a mortgaged developer loan of 21.20 million euros that was originally arranged by Aedas Homes Opco, S.LU. to finance a development in progress. That mortgage carries interest at 3-month Euribor plus a spread of 260 basis points.

- On 6 May 2024, Aedas Homes, S.A. decreased its shareholding in and loans to Java Investment Holding S.a.r.l., as a result of delivery of milestones agreed with King Street Capital Management, L.P. (so that the latter can gradually increase its interest) with respect to the assets held by AEDAS KS IBERIA S.L.U. and AEDAS KS LEVANTE S.L.U. (companies in which Java Investment Holding S.a.r.l. is the sole shareholder). It decreased its shareholdings by 1.2 and 1.1 million euros, respectively, and its loans by 1.2 and 1.5 million euros, respectively.

25. Translation of financial statements

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

Appendix I - Subsidiaries included in the scope of consolidation at 31 March 2024

Company	Registered office	Business	Ownership interest		Shareholder	Auditor	Consolidation method
			31 March 2024				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Real estate services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	ERNST & YOUNG, S.L.	Full consolidation
AEDAS HOMES CANARIAS, S.L.U. (formerly, ESPEBE 18, S.L.U.)	Las Palmas, Gran Canary Island	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES RENTAL, S.L.U. (formerly, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	ERNST & YOUNG, S.L.	Full consolidation
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly, TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	ERNST & YOUNG, S.L.	Full consolidation
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES LIVING, S.L.U.	Madrid	Decoration and interior design services	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation

VARÍA 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.	Vizcaya	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.	Navarre	Development	14.81%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	KPMG Auditores, S.L.	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.	ETL Spain Audit Services, S.L.	Equity method
JAVA INVESTMENTS HOLDINGS, S.A.R.L	Luxembourg	Holdco	49.90%	Direct	AEDAS HOMES, S.A.	-	Equity method
AEDAS KS FONSALÍA, S.L.U.	Las Palmas, Gran Canary Island	Development	49.90%	Indirect	AEDAS HOMES, S.A., through JAVA INVESTMENTS HOLDINGS, S.A.R.L	-	Equity method
AEDAS KS SANTA CLARA, S.L.U.	Madrid	Development	49.90%	Indirect	AEDAS HOMES, S.A., through JAVA INVESTMENTS HOLDINGS, S.A.R.L	-	Equity method
AEDAS KS LEVANTE, S.L.U.	Madrid	Development	49.90%	Indirect	AEDAS HOMES, S.A., through JAVA INVESTMENTS HOLDINGS, S.A.R.L	-	Equity method
AEDAS KS IBERIA, S.L.U.	Madrid	Development	49.90%	Indirect	AEDAS HOMES, S.A., through JAVA INVESTMENTS HOLDINGS, S.A.R.L	-	Equity method
BTS SERVICIOS INMOBILIARIOS JV1, S.L.	Madrid	Development	24.50%	Direct	AEDAS HOMES, S.A.	-	Equity method
SERVICIOS INMOBILIARIOS RESIDENCIAL EN VENTA JV2, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method

Appendix I - Subsidiaries included in the scope of consolidation at 31 March 2023

Company	Registered office	Business	Ownership interest		Shareholder	Auditor	Consolidation method
			31 March 2023				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Real estate services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	ERNST & YOUNG, S.L.	Full consolidation
ESPEBE 18, S.L.U. (currently, 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
SPV REOCO 15, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
FACORNATA SERVICIOS Y GESTIONES, S.L.U. (currently, AEDAS HOMES RENTAL, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
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
TURNKEY PROJECTS DEVELOPMENT, S.L.U. (currently, AEDAS HOMES COLMENAR VIEJO, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
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
AEDAS HOMES LIVING, S.L.U.	Madrid	Decoration and interior design services	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS ESTE, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
DOMUS AEDAS RESIDENCIAL, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U.	Madrid	Holdco	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation

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
PROYECTOS BALMES 89, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS MUTILVA PROMOCIÓN, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	Madrid	Development	15.6%	Indirect	AEDAS HOMES, S.A. through DOMUS AVENIDA, S.L	-	Equity method
ESPACIO ÁUREA, S.L.	Madrid	Development	50%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
ALLEGRA NATURE, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
RESIDENCIAL HENAO, S.L.	Vizcaya	Development	22.5%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
ÁUREA ETXABAKOITZ, S.L.	Navarre	Development	14.81%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
RESIDENCIAL CIUDADELA UNO, S.L.	Navarre	Holdco	17.13%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
NATURE ESTE, S.L.	Madrid	Development	17.13%	Indirect	AEDAS HOMES, S.A., through RESIDENCIAL CIUDADELA UNO, S.L.	-	Equity method

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

Company	Equity at 31 March 2024 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings	Profit/(loss) for the period	Other shareholder contributions	(Interim dividend)	Total equity
AEDAS HOMES OPCO, S.L.U.	44,807,030	387,236,299	(308,103,107)	-	72,729,952	63,175,332	(69,000,000)	190,845,506
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	3,000	-	600	-	1,657,309	4,190,676	(1,000,000)	4,851,585
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	258	(310,368)	(162,007)	466,005	-	(3,112)
DAMALANA SERVICIOS Y GESTIONES, S.L.U	3,010	-	249	(3,357,589)	(667,200)	8,000,000	-	3,978,470
AEDAS HOMES CANARIAS, S.L.U. (formerly, ESPEBE 18, S.L.U.)	3,000	-	(7,412)	(2,433,983)	1,980,830	3,840,000	(1,700,000)	1,682,435
SPV SPAIN 2, S.L.	100,000	-	440,460	(88,028)	(27,590)	-	-	424,842
AEDAS HOMES RENTAL, S.L.U. (formerly, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	4,991,549	13,510,974	1,003,024	-	5,830,126	-	(4,298,560)	21,037,113
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,000	-	69,311	(10,322)	271,410	-	-	333,399
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly, TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	3,000	-	182,710	-	2,139,551	1,134,600	-	3,459,861
WINSLARO ITG, S.L.	3,000	-	(371)	(3,712,787)	(442,815)	12,871,871	-	8,718,898
EGON ASSET DEVELOPMENT, S.L.U.	3,000	-	(812)	(85,809)	(7,851)	172,400	-	90,928
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,575)	(29,008)	(12,908)	36,500	-	(3,991)
AEDAS HOMES LIVING, S.L.U.	3,000	-	600	(1)	237,021	2,463,816	-	2,704,436
DOMUS AVENIDA, S.L.	100,500	-	59,200	(0)	187,673	-	(75,000)	272,373
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	3,000	-	859,862	-	15,135	-	-	877,997
ESPACIO ÁUREA, S.L.	216,900	-	219,078	2,149,257	(891)	-	(1,940,000)	644,344
ALLEGRA NATURE, S.L.	3,000	-	952,221	-	(395,754)	-	-	559,467
RESIDENCIAL HENAO, S.L.	42,000	-	8,400	-	(24,566)	-	-	25,834

ÁUREA ETXABAKOITZ, S.L.	40,500	-	67,454	-	(2,789)	-	-	105,165
RESIDENCIAL CIUDADELA UNO, S.L.	152,118	240,000	12,826	(341,126)	2,042,151	-	(1,658,534)	447,435
NATURE ESTE, S.L.	386,000	-	-	(244,010)	2,699,756	-	(2,000,000)	841,746
JAVA INVESTMENTS HOLDINGS, S.A.R.L	5,235,994	53,397,461	-	-	(343,586)	-	-	58,289,869
AEDAS KS FONSALÍA, S.L.U.	3,000	-	(4,193)	-	(1,155,985)	16,291,739	-	15,134,561
AEDAS KS SANTA CLARA, S.L.U.	3,000	-	(3,774)	-	(1,417,820)	20,377,651	-	18,959,057
AEDAS KS LEVANTE, S.L.U.	3,000	-	(4,058)	-	(446,521)	6,807,835	-	6,360,256
AEDAS KS IBERIA, S.L.U.	3,000	-	(1,614)	-	(931,148)	14,811,708	-	13,881,946
BTS SERVICIOS INMOBILIARIOS JV1, S.L.	12,245	-	-	-	(206,057)	19,987,755	-	19,793,943
SERVICIOS INMOBILIARIOS RESIDENCIAL EN VENTA JV2, S.L.U.	3,000	-	-	-	(104)	-	-	2,896

Company	Equity at 31 March 2023 (euros) (*)							
	Capital	**Share premium**	**Reserves**	**Retained earnings**	**Profit/ (loss) for the period**	**Other shareholder contributions**	**(Interim dividend)**	**Total equity**
AEDAS HOMES OPCO, S.L.U.	44,807,030	387,236,299	(308,299,779)	-	82,300,227	63,175,332	(73,400,000)	195,819,109
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	3,000	-	600	-	1,214,019	4,190,676	(900,000)	4,508,295
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	258	(163,174)	(147,194)	316,005	-	8,895
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	249	(3,357,589)	222,055	8,000,000	-	4,867,725
AEDAS HOMES CANARIAS, S.L.U. (formerly, ESPEBE 18, S.L.U.)	3,000	-	142	(1,557,678)	(876,305)	2,340,000	-	(90,841)
SPV SPAIN 2, S.L.	100,000	-	437,522	-	(88,028)	-	-	449,494
AEDAS HOMES RENTAL, S.L.U. (formerly, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	4,991,549	42,163,414	40,007	(1,899,860)	12,910,332	-	(9,500,000)	48,705,442
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,000	-	69,311	-	(10,322)	-	-	61,989
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly, TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	3,000	-	(183,374)	(429,847)	1,391,444	1,134,600	-	1,915,823
WINSLARO ITG, S.L.	3,000	-	(371)	(1,996,991)	(314,895)	12,654,871	-	10,345,614
EGON ASSET DEVELOPMENT, S.L.U.	3,000	-	(1,405)	(135,864)	50,647	172,400	-	88,778
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,574)	(14,767)	(14,242)	36,500	-	8,917
AEDAS HOMES LIVING, S.L.U.	3,000	-	(1,402)	(14,965)	716,816	2,463,816	-	3,167,265
DOMUS AVENIDA, S.L.	100,500	-	4,635	(4,908)	253,468	-	-	353,695
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	3,000	-	1,109,862	-	-	-	-	1,112,862
ESPACIO ÁUREA, S.L.	723,000	1,160,000	219,078	(531,094)	1,017,601	1,360,000	-	3,948,585
ALLEGRA NATURE, S.L.	3,000	-	3,714,501	(7,280)	-	-	(2,755,000)	955,221
RESIDENCIAL HENAO, S.L.	42,000	-	2,081,435	(63,236)	-	-	(2,009,799)	50,400
ÁUREA ETXABAKOITZ, S.L.	40,500	-	1,369,972	(102,518)	-	-	(1,200,000)	107,954

RESIDENCIAL CIUDADELA UNO, S.L.	152,118	240,000	12,826	(341,126)	(318)	7,049,482	-	7,112,982
NATURE ESTE, S.L.	386,000	-	-	(244,010)	3,480,891	6,736,407	-	10,359,288
PROYECTOS BALMES 89, S.L.	3,000	-	-	(65,356)	(28,386)	2,329,121	-	2,238,379
AEDAS MUTILVA PROMOCIÓN, S.L.U.	20,000	-	-	(308,079)	(3,533)	510,000	-	218,388
DOMUS AVENIDA, S.L.	100,500	-	4,635	-	(4,908)	-	-	100,227
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	2,775,000	-	-	(38,759)	1,389,026	-	-	4,125,267
ESPACIO ÁUREA, S.L.	723,000	1,160,000	219,078	(159,418)	(314,016)	1,360,000	-	2,988,644
ALLEGRA NATURE, S.L.	3,000	-	600	(5,902)	2,114,294	300,000	(2,000,000)	411,992
RESIDENCIAL HENAO, S.L.	42,000	-	-	(69,281)	2,845	4,303,550	-	4,279,114
ÁUREA ETXABAKOITZ, S.L.	40,500	-	-	(102,518)	1,471,637	-	(1,100,000)	309,619
RESIDENCIAL CIUDADELA UNO, S.L.	152,118	240,000	-	(283,954)	(43,478)	7,049,482	-	7,114,168
NATURE ESTE, S.L.	386,000	-	-	(254,747)	16,900	6,736,407	-	6,884,560

(*) Unaudited figures, except for the annual financial statements for the year ended 31 March 2024 of AEDAS HOMES OPCO, S.L.U., DAMALANA SERVICIOS Y GESTIONES, S.L.U., AEDAS HOMES RENTA, S.L.U. and AEDAS HOMES COLMENAR VIEJO, S.L.U., audited by ERNST & YOUNG, S.L., and the annual financial statements for 2023 of VARÍA ACR MÓSTOLES FUENSANTA, S.L., RESIDENCIAL HENAO, S.L. and ÁUREA ETXABAKOITZ, S.L., audited by KPMG Auditores, S.L., and those of ALLEGRA NATURE, S.L. and NATURE ESTE, S.L., audited by ETL Spain Audit Services, S.L. The annual financial statements for the year ended 31 March 2023 of AEDAS HOMES OPCO, S.L.U. were audited by ERNST & YOUNG, S.L.

Appendix II – Mandatory core taxonomy elements required under the ESEF reporting manual (ESMA32-60-254) developed by the European Securities and Markets Authority (ESMA), published on 18 December 2017:

Name of reporting entity or other means of identification:	Aedas Homes, S.A.
Domicile of entity:	Paseo de la Castellana, 130, Madrid (Spain)
Legal form of entity:	Public limited company (*sociedad anónima*).
Country of incorporation:	Spain
Address of entity's registered office:	Paseo de la Castellana, 130, Madrid (Spain)
Principal place of business:	Paseo de la Castellana, 130, Madrid (Spain)
Description of nature of entity's operations and principal activities:	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 Parent may acquire, administer and sell securities of all kinds, including but not limited to, shares, convertible bonds and unitholdings of any kind. Appendix I of these notes itemises the activities conducted by the subsidiaries of Aedas Homes, S.A.
Name of parent entity:	Aedas Homes, S.A.
Name of ultimate parent of group:	Aedas Homes, S.A.

Integrated Annual Report 2023/24

CONSOLIDATED MANAGEMENT REPORT

AEDAS HOMES

Guiomar (Bormujos)

For the first time, AEDAS Homes has surpassed one billion in revenue and has achieved its business plan goals six years in a row

Chairman's statement

SANTIAGO FERNÁNDEZ VALBUENA

Dear fellow shareholders,

It is my pleasure once again to introduce this year's Integrated Annual Report, which provides an account of our financial and business performance, paying particular heed to social, environmental, compliance and governance matters. As I have said in the past, we report on those matters not because we have to but because they act as our compass. In these introductory lines, allow me to sum up the hard work we have done in FY 2023/24 to **deliver our business targets while leading the transformation of the real estate sector** towards a model driven by sustainability, innovation and technology.

Despite the backdrop of economic and geopolitical uncertainty, AEDAS Homes' **revenue surpassed the one-billion-euro mark** for the first time this past year, as we reached the **cruising speed** we had been aiming for. We delivered the targets set down in our business plan for the sixth year in a row, consolidating our benchmark position as Spain's most reliable homebuilder and generating a net profit of €109 million, total revenue of €1.15 billion and funds from operations ("FFO") of €116 million.

Despite higher interest rates, **the Spanish economy remained dynamic throughout 2023**, outperforming the eurozone and the consensus forecasts, while the residential sector proved resilient thanks to continued strong fundamentals: strong demand and a limited supply of new-build housing, a scarcity of ready-to-build land, good levels of household savings, sustainable debt levels and financially-healthy developers. Those same fundamentals bode well for the years to come.

At AEDAS Homes we remained true to our strategy of focusing on providing **quality housing** Spain's most dynamic markets, investing in land selectively. We closed **two co-investment deals last year for close to €300 million**, evidencing our credibility as a trusted industrial partner in the eyes of institutional investors and family offices.

Our company is firmly committed to helping to deliver the **2030 Agenda** for Sustainable Development as a member of the United Nations Global Compact. Our commitment to sustainability is intrinsic to our business approach. Having successfully delivered the social, environmental and governance targets set down in our ESG Strategic Plan 2021-2023, this past March the Board of Directors approved a new and more ambitious **ESG Strategic Plan 2024-2026** with the ultimate goal of making us the leading developer in the construction of sustainable, resilient and inclusive cities in Spain.

We are very aware of the risks posed by climate change and the challenges facing the real estate sector in transitioning to a more sustainable economic model. At AEDAS Homes we want to lead that transformation through the use of **offsite construction and sustainable materials**. Having already achieved our target of building some or all of 25% of the homes we deliver offsite, we are now aiming to raise that percentage to 30% by 2026.

Our earnings performance is likewise the result of the fine work done by the AEDAS Homes team. However, it also reflects **our partnerships with our shareholders, customers, suppliers and society in general**, which are essential to multiplying our positive impact and truly contributing to the sector's transformation. They have all helped us deliver our targets as part of a symbiotic value creation process. My sincere thanks to all of you.

Once again, I would like to acknowledge our **311 excellent professionals**, whose passion, talent and experience improve AEDAS Homes day after day. Human capital is unquestionably a differentiating factor in our sector, and we go to great lengths to provide a stimulating work environment, which is why we are pleased to have been named a **Great Place to Work** for the third year in a row.

Soul Marbella Sunset (Marbella)

Etheria Gardens (Madrid)

The loyalty and commitment of our shareholders strongly motivate us to meet our targets. We have reciprocated once again with **attractive shareholder remuneration**, with a generous dividend year after year.

Actively listening to our **customers** is helping us build better homes and offer better services, framed by constant innovation and our commitment to offering product personalisation.

The sector's transition to offsite and sustainable construction requires **close collaboration** with architecture firms, construction companies, construction oversight teams, sales agents, health and safety coordinators and sustainability consultants. To enhance coordination and facilitate relations with all these stakeholders, we have developed a Developer Operating System which brings all the parties involved in our developments together in a single platform.

Along the **social dimension**, we are proud to support **affordable housing** initiatives through public-private partnership models. Construction is underway on close to 3,600 units for the **Madrid** regional government's affordable rental housing scheme, **Plan Vive**, and this year we will break ground on another 700 affordable units for rental. In FY 2023/23 AEDAS Homes delivered over 240 affordable units and continued to support charitable, cultural and sporting activities in the communities in which our developments are located.

The advances made once again last year were possible thanks to **the effective and transparent governance model** we have been committed to ever since AEDAS Homes was founded. The Board of Directors I chair and indeed all of the company is unwaveringly committed to best practice in corporate governance and stringent compliance with all applicable rules and regulations. That is our obligation and this is how we understand the business.

Many thanks,

Santiago Fernández Valbuena

CHAIRMAN OF THE BOARD OF DIRECTORS

Chief Executive Officer's statement

We have shown that we are a predictable and reliable company, thanks to a business model that produces sustained and sustainable growth

Dear AEDAS Homes shareholders,

In FY 2023/24, **we met all our business and financial targets**, created considerable value for our shareholders and stakeholders and cemented our position as the leading player in the Spanish residential development market.

Earnings-wise, we are reporting **€1.15 billion of revenue**, year-on-year growth of almost 25%, **EBITDA of €173 million** and a **net profit of €109 million.**

We ended the year in a **position of financial strength**: our net debt of €310 million implies a net debt-to-EBITDA ratio of 1.8x and an LTV ratio of 16.3%.

True to our **disciplined approach to land investment**, we invested over €220 million in new sites where we expect to develop 2,500+ homes, locking in our ability to meet our production and delivery targets for the years to come. That leaves us with a **land bank** with a development capacity of **14,000+ homes** across Spain's most dynamic housing markets.

Although the economic and geopolitical remained uncertain, the **Spanish economy was very strong last year**, emerging as one of the **eurozone's growth engines**. Despite the rate increases ushered in by the change in monetary policy direction, the residential market proved highly resilient, marked by rising prices and steady demand. The gap between **supply**—limited by a **scarcity of ready-to-build land**—and **growing demand**, coupled with good household savings levels, points to **healthy prospects for the years ahead**.

AEDAS Homes once again proved itself a **predictable and reliable company**, thanks to a business model that produces sustained and sustainable growth, as borne out by earnings per share of €2.53 and a return on equity of 11.7% in FY 2023/24. The philosophy behind that model is one of decentralised and scalable management and an unwavering commitment to innovation, underpinned by a highly experienced, qualified team of professionals.

In FY 2023/24 our activity was concentrated in the **Build-to-Sell** line (sale of housing to individuals), targeted at households in the mid to upper income brackets, who have a strong appetite for the houses we build. In tandem, we continued to develop **Build-to-Rent** housing (turnkey sale of developments designed for the rental market to institutional investors).

Last year we saw significant growth in our asset-light **Real Estate Services** division, which provides value-added services to institutional investors and family offices who see AEDAS Homes as a trusted industrial partner for their residential development investments and leverage our track record, market knowledge and management capabilities. Over the course of the year, we closed **two co-investment transactions valued at close to €300 million of equity**, while remaining committed to developing **affordable housing** via **public-private partnerships.**

In the **Build-to-Sell** segment, we delivered **2,456 units** at an ASP of €358,000 euros last year, generating revenue of **€879 million** (up 13.8% year-on-year). And in the **Build-to-Rent** segment, we delivered **383 units** at an ASP of €184,000 euros, adding a further **€71 million** to our topline. The blended gross development margin in the two segments was 23.4%.

Elsewhere, the **Real Estate Services** division delivered **99 units** and generated revenue from the provision of services of **€9 million** (up 84.9% year-on-year), at a gross margin of 32.5%.

At 31 March 2024, the company had **9,800 active units**: 2,200 at the design phase, 1,500 at the marketing phase, 5,000 under construction and the remaining 1,100 already complete. That implies high coverage of our sales targets for FY 2024/25 (67%) and FY 2025/26 (37%) and leaves us confident in our ability to continue to deliver our targets in the coming years.

AEDAS Homes is **leading the transformation of the sector** into a modern, efficient, competitive and sustainable industry. That transformation will mean shorter delivery times, lower costs, higher product quality and safer construction processes. It also lessens the impact on the environment and generates higher returns for our shareholders and other stakeholders.

In this quest to transform the sector, we are spearheading the large-scale use of **Modern Methods of Construction**, which include factory-built components such as façades, bathroom pods, structures and stairways, as well as alternative materials such as cross-laminated timber. Offsite solutions like these are allowing us to deliver our homes within the timeframes promised to our customers despite significant endemic problems such as a shortage of qualified labour in the construction sector.

In FY 2023/24, we also continued the fine-tuning of our hyperconnected **Developer Operating System**, which is ready for the advent of **generative AI**. This system, which provides end-to-end digitalisation of our design, planning and execution processes, integrates the network of professionals and suppliers we work with and allows us to automate and synchronise data and critical business processes in real time, changing the way the real estate sector operates and optimising the use of our resources.

AEDAS Homes is committed to acting responsibly along the environmental, social and governance dimensions. We are working to create a better future to make our cities more sustainable and enrich the communities where we build homes.

As such, we are aligned with the **United Nations 2030 Agenda** and the effort to tackle climate change, as set down in the targets embedded into our **new ESG Strategic Plan 2024-2026.**

We have met the environmental targets we set ourselves, which include carrying out **Life Cycle Assessments** on all our developments and ensuring that 100% of our development carry our Ecoliving® or another recognised seal. I am proud to say that 62% of the developments we completed last year boast an **AA energy rating**. To take this further, we have continued to sign agreements with suppliers of more environmentally-friendly materials such as sustainable concrete and 100%-recycled aluminium at our developments.

AEDAS Homes' greatest asset is, unquestionably, its **human capital.** In addition to achieving the results and advances outlined here, our employees are determined to improve our impact on society. They participate in **30 charitable projects and sporting and cultural event sponsorships** across our business communities and support young local artists through our **#ConLasArtes** by AEDAS Homes programme.

Fioresta (San Juan de Alicante)

We want to play an active role in solving the social problem created by the shortage of housing and are working with the authorities on affordable housing development initiatives such as Plan Vive in Madrid. Under that plan, we are already managing the **construction of 3,600 affordable rental homes** and we plan to break ground on 700 additional units in the next few months.

I encourage you to read on for a more detailed account of these last 12 months of innovation, partnerships and shared value creation.

Thanks for your vote of confidence,

DAVID MARTÍNEZ

CHIEF EXECUTIVE OFFICER OF AEDAS HOMES

The year in brief

AEDAS Homes at a glance

Key figures

Milestones

Eris (Dos Hermanas)

AEDAS Homes at a glance

Key figures

At 31 March 2024

GROSS DEVELOPMENT VALUE (GDV)[1]
€5.95 billion

JOBS CREATED INDIRECTLY[2]
7,565

LAND BANK DEVELOPMENT CAPACITY[3]
14,224 units

REVENUES
€1.15 billion

EMPLOYEES
311

MARKET CAPITALISATION
€760m

OPERATING IN
23 provinces
60+ municipalities

Residential developer AEDAS Homes S.A., is spearheading the transformation of the real estate sector in Spain through its focus on innovation in construction, processes and services to offer comfortable, healthy and environmentally-friendly homes. Headquartered in Madrid and present in Spain's most dynamic housing markets, its shares have been traded on the Spanish stock exchange since 2017.

(1) The total GDV has been calculated by adding the total GDV of assets that are 100% owned by AEDAS Homes as per Savills' valuation, plus (i) the GDV (according to Savills' valuation) of assets from co-investment vehicles in which AEDAS Homes holds a stake (but only including the AEDAS Homes' stake), and (ii) the forecast of future income from new committed investments (but not yet closed) in FY 2023/24.

(2) According to ASPRIMA, the Madrid developers' association, every home built generates 2.4 indirect jobs. The number of indirect jobs generated in a fiscal year is calculated multiplying that ratio of 2.4x by the number of homes completed (with work completion certificates) by our BTS, BTR and Real Estate Services business lines. In FY 2022/23, AEDAS Homes generated 8,990 indirect jobs.

(3) The total number of units comprising the land bank includes newly-acquired land in FY 2023/24, the investments that the company had committed to but had not yet closed in FY 2023/24, and all of the units transferred to the special-purpose co-investment vehicles set up in FY 2023/24.

Activity by business line

At 31 March 2024

Residential development (core business)

Units on the market
7,574

Units under construction
5,038

Homes delivered
2,839

87% Build to sell

13% Build to rent

Asset-light Real Estate Services division

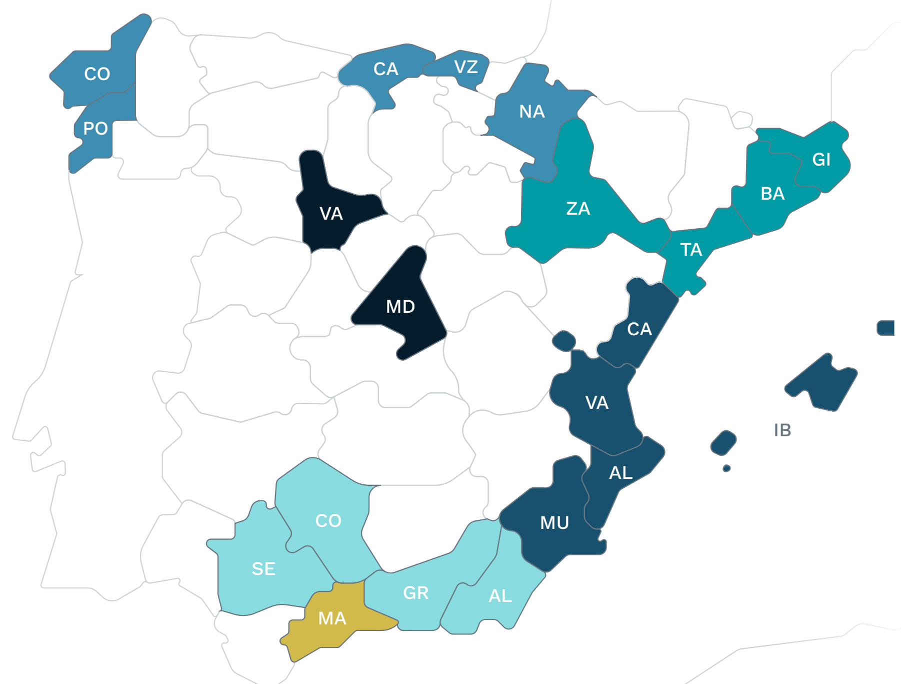
99 units delivered under co-investment agreements

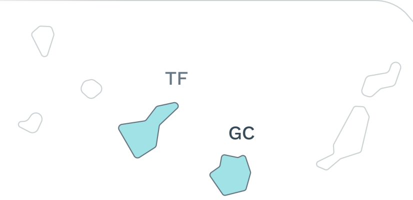
3,582
units under construction
(Plan VIVE Madrid)

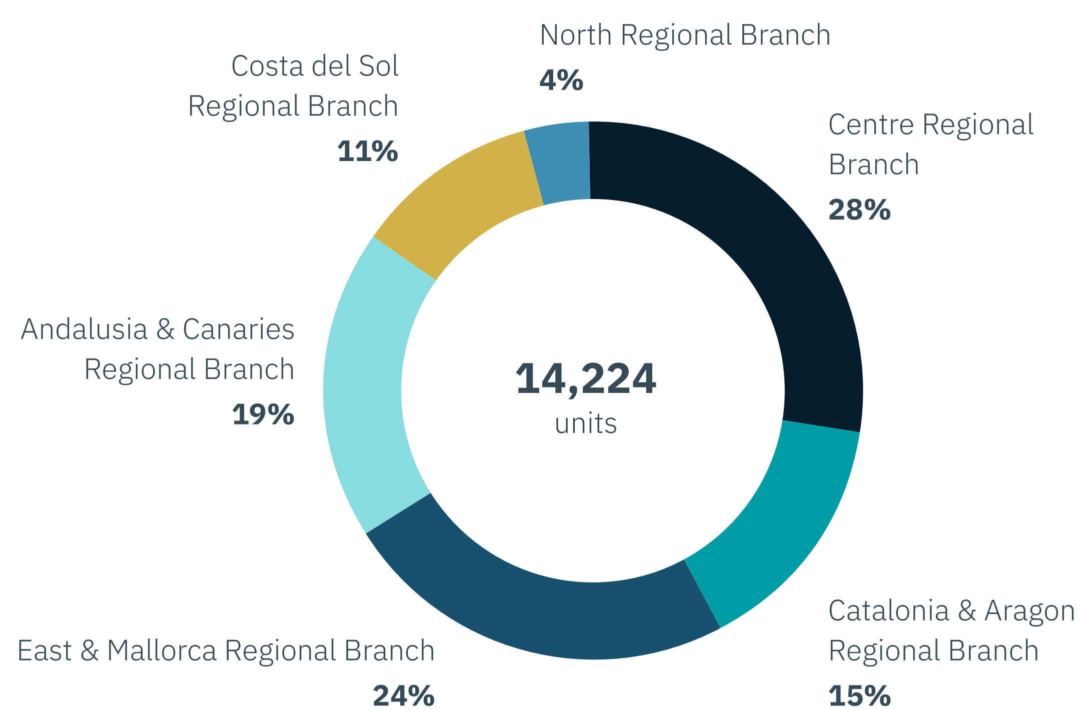
AEDAS Homes' footprint[4]

At 31 March 2024

- Centre Regional Branch
- Catalonia & Aragon Regional Branch
- East & Mallorca Regional Branch
- Andalusia & Canaries Regional Branch
- Costa del Sol Regional Branch
- North Regional Branch







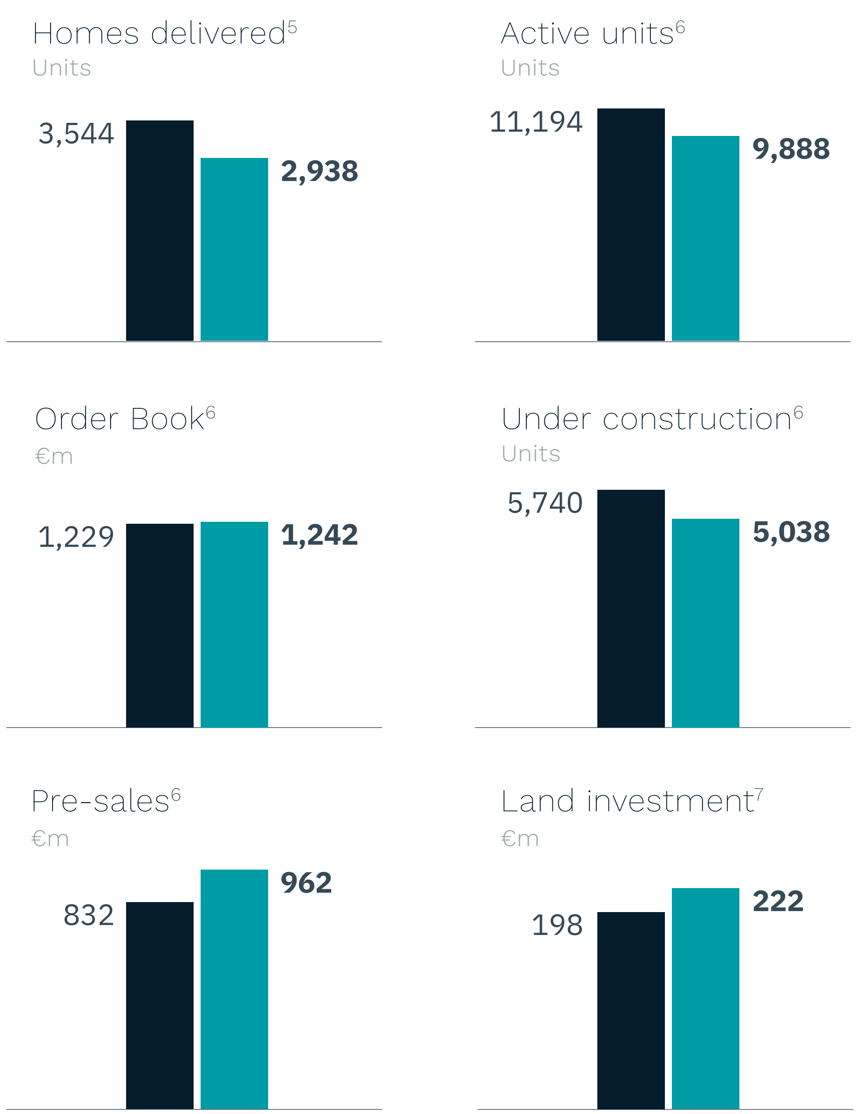
(4) In terms of units. The total number of units comprising the land bank includes newly-acquired land in FY 2023/24, the investments that the company had committed to but had not yet closed in FY 2023/24, and all of the units transferred to the special-purpose co-investment vehicles set up in FY 2023/24.

Key figures

At 31 March 2024

FY 2022/23 FY 2023/24

Key business indicators



Key financial indicators

5) The annual delivery total includes both BTS and BTR units delivered, as well as units delivered through the Real Estate Services division.
(6) The FY 2023/24 total includes units transferred to joint ventures constituted during the year.
(7) The total investment amount includes both the new investment executed during the period as well as investment commitments not yet executed.
(8) Figure from FY 2022/23 is adjusted EBITDA.
(9) Incluye el dividendo contra prima de emisión.

Creating shared value

Shareholders

€60m of own shares cancelled, boosting shareholder remuneration

€147m paid out in **dividends**

33% share price gain

Customers

37% of customers came **from beyond Spain's borders**

New del **Point-of-Sale Manual** launched

29% reduction in response times for customer consultations

Employees

Certified as a **Great Place to Work** for third year running

Launch of **We Are Talent**, an employee motivation and loyalty programme

78 events to foster the employment of **young talent**

Suppliers

350 suppliers seamlessly using ***Promociona***

297 assessments of critical suppliers

New **Mass Timber Structures Manual and Offsite Structures Manual** added to our White Book

Community

3,600 Plan VIVE affordable homes for rental already under construction

30 charitable projects and sporting and cultural **event sponsorships**

Launch of art competitions through **#ConLasArtes by AEDAS Homes in 5 cities**

Environmental milestones

Key indicators for developments that completed construction in FY 2023

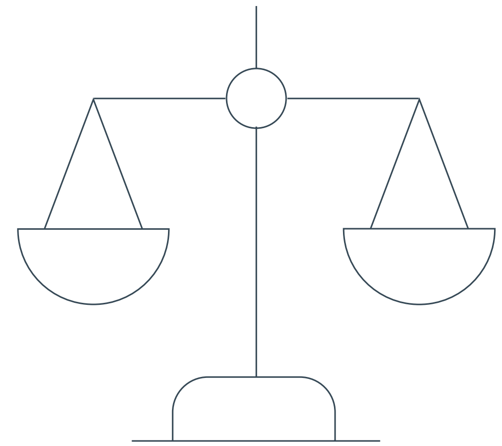
100% had
Life Cycle Assessments
carried out

62%
attained an
energy rating of AA

29%
were fitted with
recycling facilities

40%
were fitted with
sustainable drainage

28%
were fitted with
water recovery or reuse systems



Corporate governance indicators

Approval of the
Climate Action Policy

Renewal of
UNE 19601 certification of the
compliance management system

One enquiry
managed through
Whistleblowing Channel

Milestones 2023/24

2023

APRIL


Arada (Murcia)

- Record number of deliveries for a financial year: 3,544 homes

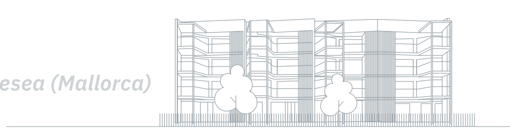
MAY

- Prize for Best Progress around ESG for our ESG Strategic Plan at the 20th ASPRIMA-SIMA 2023 Awards


Naya (Alicante)

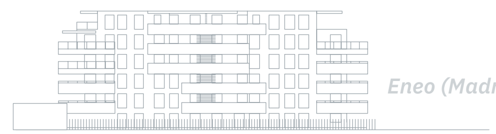
JUNE

- 6th annual AEDAS Homes Architects Gathering, focused on “Driving innovation and transformation”


Nesea (Mallorca)

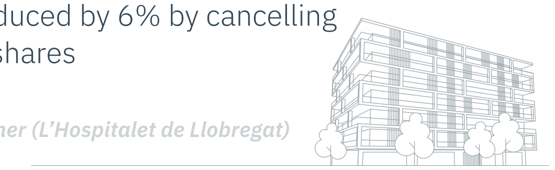
JULY

- Approval of a dividend of €2.15 per share: a payout of nearly 90% of FY 2022/23 net profit
- Agreement with Azora to develop two BTR developments (327 units) in Madrid and Alicante


Eneo (Madrid)

OCTOBER

- Artificial intelligence, the central theme of the 2nd annual AEDAS Homes Technology Gathering
- Share capital reduced by 6% by cancelling €60m worth of shares


Gesner (L’Hospitalet de Llobregat)

NOVEMBER


Faraday (Madrid)

- Unveiling of the first Passivhaus BTR development in Spain

DECEMBER

- Broke the barrier of 10,000 homes delivered


Lambot (Madrid)

2024

JANUARY

- First sponsor of the Sustainable Architecture Observatory (OAS) to foster healthy architecture and neuroarchitecture


Jávea (Alicante)

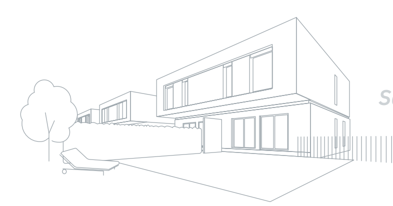
FEBRUARY

- Agreement with King Street to jointly invest €270m in residential developments for sale in Spain


Tarsia (Granada)

MARCH

- Board of Directors approves of the ESG Strategic Plan 2024-2026
- Offer launched for the repurchase of up to €50m of the company’s green bonds


Sanabria 2 (Madrid)

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+ CEO’s statement

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About AEDAS Homes

Bayeu (Zaragoza)

Our background

AEDAS Homes develops new-build multi-family and single-family homes in Spain’s most dynamic residential markets. Over the last six years, we have put 300+ developments with 18,000+ units on the market and have delivered 11,000. In the process, we have become a beacon for innovation, sustainability and professionalism in the Spanish real estate market. Our land bank has a development capacity of 14,000+ homes, and our team of experienced professionals numbers 300+. In the past year, our development activity has indirectly generated 7,500+ jobs.

Corporate culture

Mission

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

Vision

We are the benchmark in the home development sector, thanks to our professionalism and ability to create innovative and sustainable solutions tailored to our customers' lifestyles.

Purpose

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

Values

Passion

We are passionate about homes and we love to make people happy. We never settle for anything less.

Excellence

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

Creativity

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

Integrity

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

Resilience

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

The history of AEDAS Homes

2016

- AEDAS Homes is founded: a residential real estate developer led by an experienced, well-reputed team.

2017

- AEDAS Homes breaks ground on approximately 1,700 units across 34 developments in five regions of Spain.
- The company increases its land bank by around 2,700 housing units in Madrid and other areas, reaching the 13,000-unit mark.
- AEDAS Homes goes public, marking the largest IPO by a Spanish residential developer.

2018

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

2019

- The company enters its first build-to-rent (BTR) agreement for the development of 194 units in Madrid for Ares Management.
- An agreement is reached with Castlelake for the creation of a feeder company to jointly invest in land.
- Diversification of financing by arranging first commercial paper programme.
- Approval of the AEDAS Homes Green Book.

2020

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

2021

- Approval of the ESG Strategic Plan 2021-2023.
- Issuance of €325m of green bonds; secured highest rating among EMEA developers from the three main credit rating agencies.
- Acquisition of Aurea Homes and creation of the North Regional Branch.
- Adjudication of a project management contract to develop around 3,600 affordable rental units on behalf of a third-party investor under Plan Vive I.

2022

- Creation of our new Real Estate Services division with 4,700 units under management between co-investments and projects managed for third parties.

2023

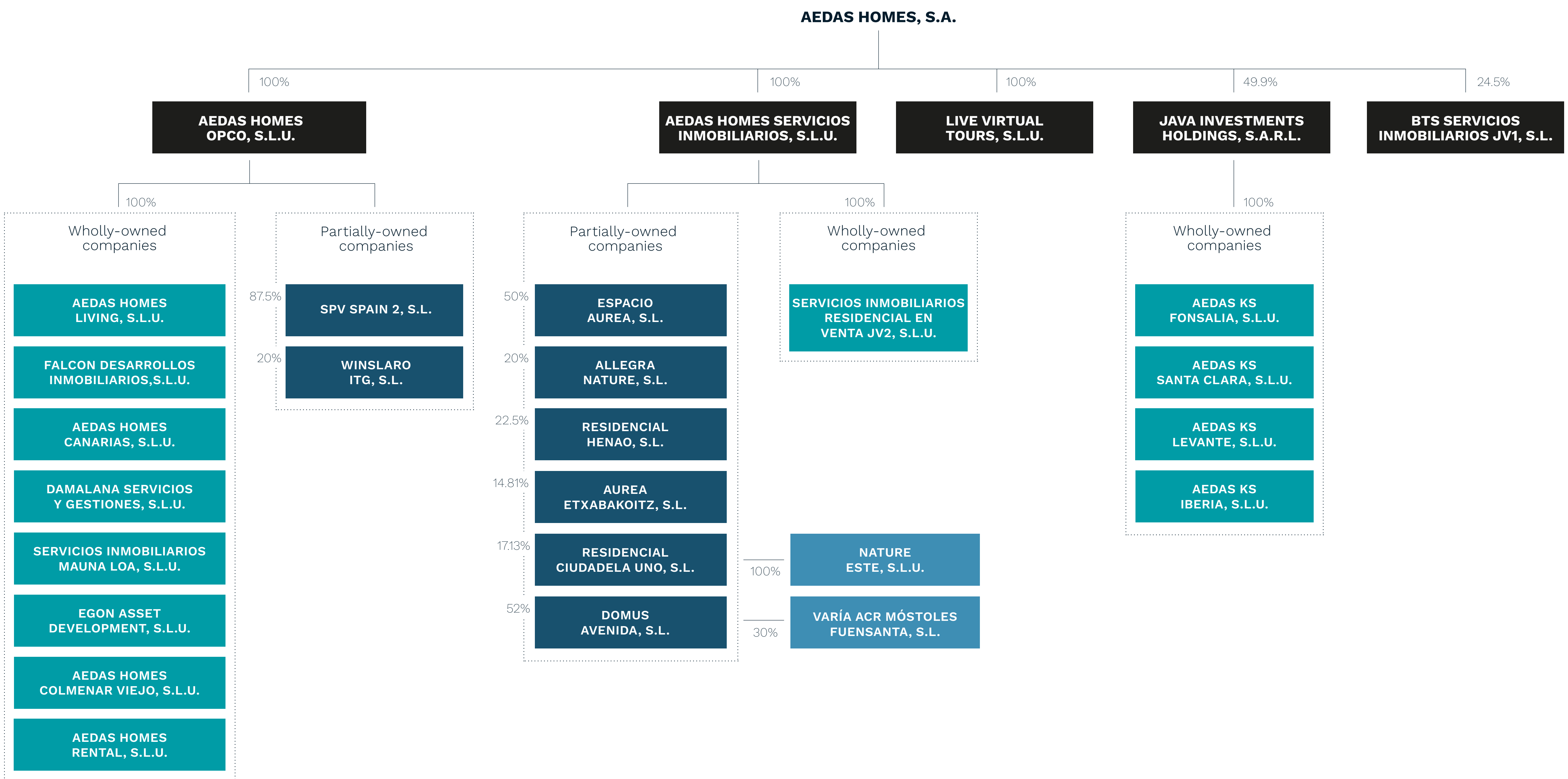
- Agreements reached with sustainable construction material suppliers.
- Record number of deliveries: 3,544 units, including the 814 delivered by the Real Estate Services division.

2024

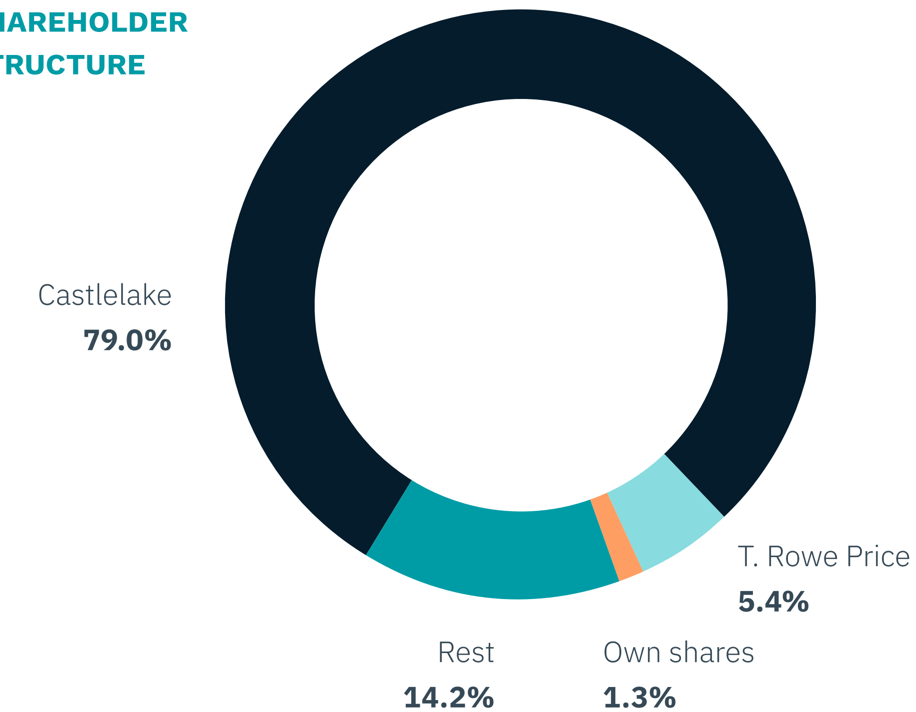
- Approval of the ESG Strategic Plan 2024-2026.
- Completion of two co-investment transactions worth close to €300 million of equity, one with an institutional investor and the other with a group of family offices.
- Record revenues: breaking the one-billion-euro mark for the first time, with €1.15 billion generated.

Corporate and shareholder structure

CORPORATE STRUCTURE



SHAREHOLDER STRUCTURE



+ For more information, refer to "Shareholders: key support for our business"

With 79% of share capital, American fund Castlelake is AEDAS Homes' major shareholde

Libella (Estepona)

Our lines of business

Our core business is the development of new-build homes on land we own for sale to individuals (Build-to-Sell, or BTS), although we also execute turnkey developments for institutional investors, which rent them out (Build-to-Rent, or BTR). We also co-invest with third parties in residential developments, taking a minority interest, providing the co-investment vehicles with end-to-end, value-adding services in exchange for management fees. Lastly, we develop affordable housing, initially for rental, under public-private partnership schemes, and flexible layouts focused on new living arrangements.

Sales office in Tenerife

BUSINESS LINES AND PRODUCTS

3 business lines

- RESIDENTIAL DEVELOPMENT
- LAND TRANSFORMATION AND DIVESTMENT
- REAL ESTATE SERVICES

4 product types

- Market-rate housing (for sale and rental)
- Affordable housing (for sale and rental)
- Land
- Alternative residential products

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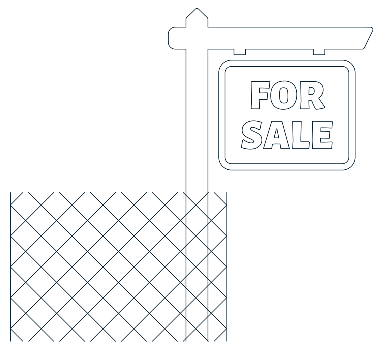
Residential development

We are active in the entire residential development process, from site identification and acquisition, the architectural designs and plans and the permitting process, to the construction, sale and delivery of our homes.

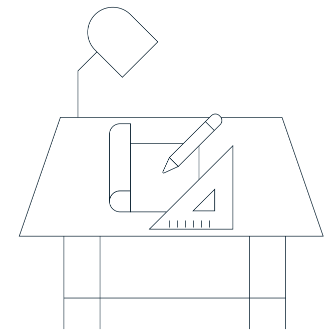
Land acquisition and management



Our six Regional Branches search for sites for new-build development projects in the most in-demand markets in Spain.

- Approximately 85% of our dealflow is sourced off-market, with no competitive bidding.
- 100% of the land acquired in FY 2023/24 is either ready-to-build or fully permitted land.
- All land investments must meet a 20% net development margin hurdle rate.
- On average, the land acquisition process takes 8 - 10 weeks.

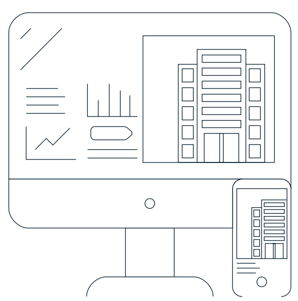
Design



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

- Detailed studies are undertaken to identify potential buyers and analyse demand.
- We select architects with extensive experience and local know-how to ensure top-quality developments.
- Our White Book and Green Book embody best practices and the lessons learned over the years, providing the ultimate guide for all our developments.

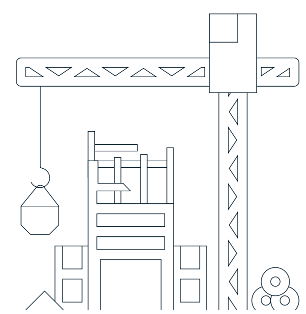
Sales and marketing



We combine our sales teams' know-how with a powerful online marketing strategy and a sales network devoted to capturing international leads.

- Digital opportunity acquisition platform connected up with our local teams and an extensive network of sales agents across Europe.
- Sales opportunity management and conversion is underpinned by a powerful CRM and our local teams' reach.
- We have a specific design and sales channel devoted to the institutional investor BTR segment.

Construction



We use highly qualified professionals to supervise and oversee our construction work.

- Execution is managed by local teams and controlled and monitored by a central department.
- We have partnership agreements with the best local contractors.
- We use Modern Methods of Construction to improve building quality and shorten development times.

Personalisation and after-sales

We offer after-sales service for up to 12 months after delivery.

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

Residential development by customer type

We distinguish between two segments in the residential development line:

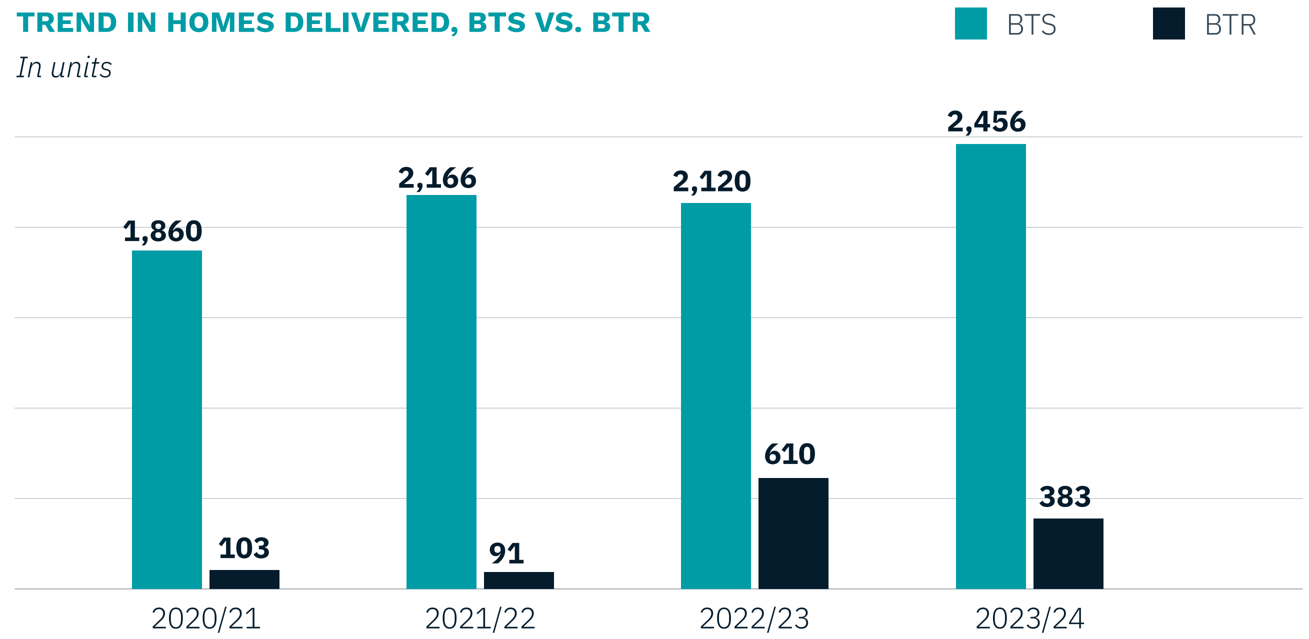
1. **Build to Sell (BTS):** we develop multi-family and single-family homes for individuals looking for properties for personal use and enjoyment or as an investment.

2. **Build to Rent (BTR):** we develop residential properties, designed specifically for the rental segment, on a turnkey basis for institutional investors.

Although the BTS line is our core business, every year we specifically design some of our developments for the BTR segment. This strategy allows us to simultaneously carry out several developments in a given market, which speeds up monetisation of our assets and reduces sales risk by selling an entire development to a single customer.

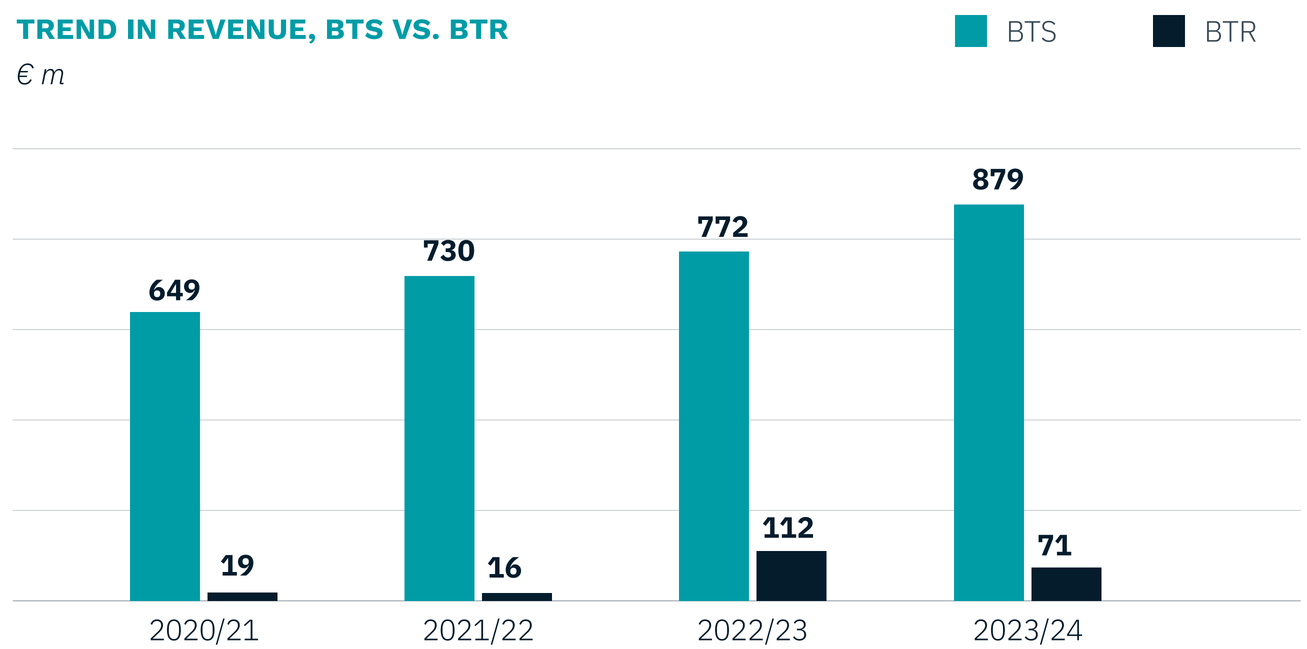
TREND IN HOMES DELIVERED, BTS VS. BTR

In units



TREND IN REVENUE, BTS VS. BTR

€ m



Although our core business focuses on selling homes to individual customers, we also develop turnkey projects for institutional investors for the rental market; this strategy reduces sales risk by selling an entire development to a single customer.

Build to Sell (BTS)

Our developments are concentrated in regions that present strong and tangible demand and growth fundamentals. The **homes we build stand out for their innovative and sustainable designs**. They are responsive to the latest trends and targeted at buyers in the mid to upper income brackets. These **customers** can afford the current high interest rates.

In FY 2023/24, we put a total of 1,939 BTS homes on the market and sold 2,176 units for close to €903 million, implying an average sales price (ASP) of €415,000.

We delivered 2,456 homes, generating nearly €879 million of revenue, at an ASP of €358,000.

Since getting into the business, we have **sold 12,700+ BTS homes** and **delivered 9,800+ BTS homes** to individuals.

Build to Rent (BTR)

When we closed our first BTR agreement with an **institutional investor** in 2019, we became the first company in Spain to sell a **turnkey residential development** targeted at the rental market. Five years on, we have **delivered almost 1,200 BTR homes** to a diverse group of Spanish and international institutional investors, cementing our position as a benchmark industrial partner in the Spanish BTR business.

The BTR product addresses demand from a broad group of institutional investors, as well as meeting the needs of society, which is looking for more and better rental options under professional management.

During the last four years, we have delivered a total of 10 turnkey developments to five institutional partners in the metropolitan areas of Madrid, Barcelona, Alicante, Valencia and Seville, notably including Spain's first **Passivhaus BTR development**, in Valdemoro (Madrid).

KEY METRICS IN THE BTS LINE

In units	**2022/23**	**2023/24**
Deliveries in the fiscal year	2,120	2,456
Net pre-sales in the fiscal year	2,143	2,176
On the market	7,580	7,063
Order Book	3,136	2,856
Under construction	5,041	4,527

KEY METRICS IN THE BTR LINE

In units	**2022/23**	**2023/24**
Deliveries in the fiscal year	610	383
Order Book	567	511
Under construction	699	511

Land transformation and land divestment

AEDAS Homes actively participates in the urban planning management of those plots of land that, either belonging to the company's landbank or incorporated through recent investment transaction, have approved planning, even if the approval of management and/or execution instruments or the execution of urbanization works are still pending.

Our teams' **deep knowledge of the land transformation process** (urban planning) and our extensive experience in managing and developing areas across Spain allow us to provide highly qualified advice to the management bodies involved in each case and take on a leadership role when AEDAS Homes assumes responsibility for the management of the transformation process due to its ownership percentage.

All of this enables us to ensure the **achievement and compliance of urban planning milestones for land undergoing transformation**, allowing AEDAS Homes to simultaneously carry out construction works alongside urbanization works and guarantee the delivery of the first homes once the urbanization works have been accepted by the local administration.

Likewise, in order ensure an **efficient turnover of its assets**, the company occasionally divests land deemed non-strategic for its business goals.

Panarea (Vilanova y la Geltrú)

An outstanding land bank

Thanks to the proven capacity of the AEDAS Homes team to originate investment opportunities, we have built an outstanding land bank with a development capacity of 14,224 units in Spain's most dynamic markets. The current land bank is expected to generate potential revenues (GDV) of around €6 billion.

At year-end, 77% (excluding committed investments not yet executed) was active, meaning these sites were actively being developed: in the design, marketing, construction, or completion phase. This level gives us clear visibility on future cash flows.

+ *For further information, refer to "Selective investments in quality land"*

AEDAS HOMES' LAND BANK*

At 31 March 2024

1 Centre Regional Branch

Units	**3,918**	28%
GDV (€m)	**1,812**	30%

2 Catalonia & Aragon Regional Branch

Units	**2,083**	15%
GDV (€m)	**879**	15%

3 East & Mallorca Regional Branch

Units	**3,379**	24%
GDV (€m)	**1,250**	21%

4 Andalusia & Canaries Regional Branch

Units	**2,663**	19%
GDV (€m)	**879**	15%

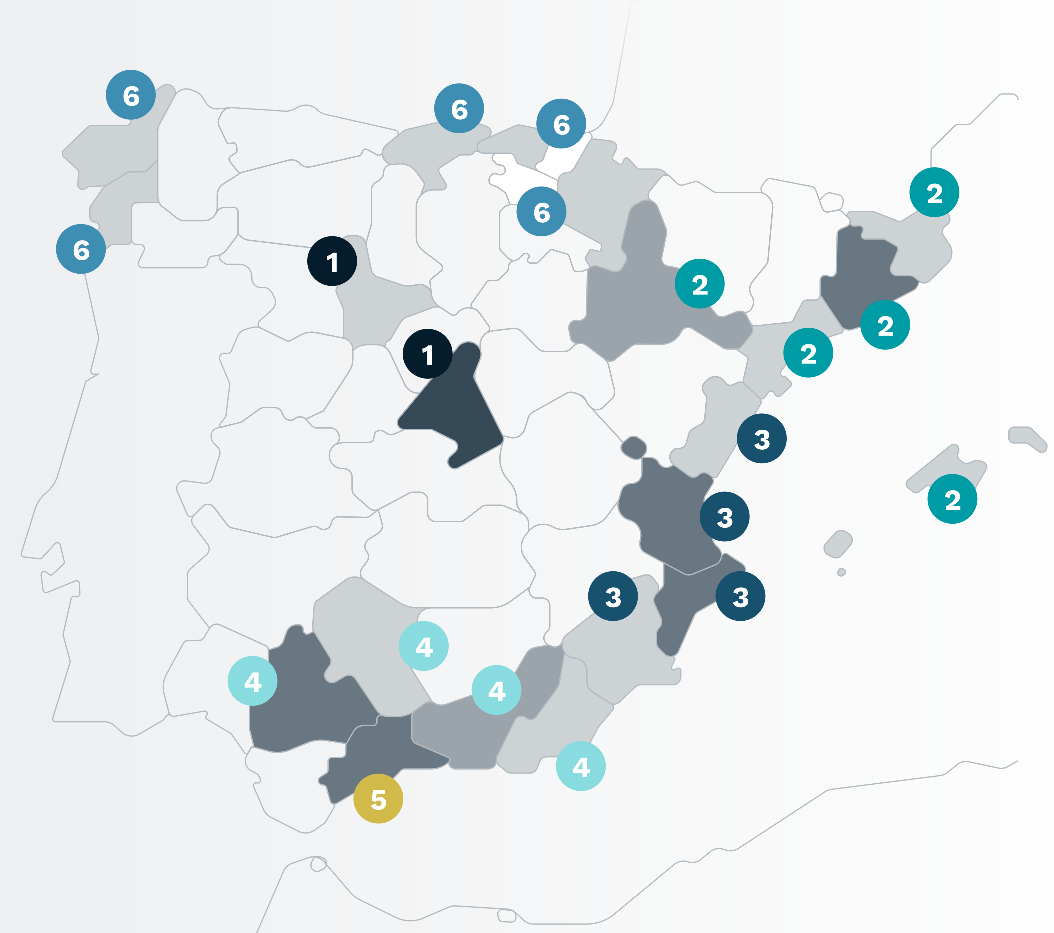
5 Costa del Sol Regional Branch

Units	**1,612**	11%
GDV (€m)	**852**	14%

6 North Regional Branch

Units	**569**	4%
GDV (€m)	**275**	5%

< 500 units | > 500 < 1,000 | > 1,000 < 2,000 | > 3,000



* The total number of units comprising the land bank includes newly-acquired land in FY 2023/24, the investments that the company had committed to but had not yet closed in FY 2023/24, and all of the units transferred to the special-purpose co-investment vehicles set up in FY 2023/24. GDV, on the other hand, has been calculated by adding the total GDV of assets that are 100% owned by AEDAS Homes as per Savills' valuation, plus (i) the GDV (according to Savills' valuation) of assets from co-investment vehicles in which AEDAS Homes holds a stake (but only including the AEDAS Homes' stake), and (ii) the forecast of future income from new committed investments (but not yet closed) in FY 2023/24.

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

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Real Estate Services

Our Real Estate Services division was set up to provide development services to **institutional investors and family offices** seeking attractive returns without having to assume excessive risk. This asset-light line of business **complements** our core business and provides an additional revenue stream, so boosting our return on equity.

From this division, we provide **value-added services** (i) directly to investors that do not have a residential development management platform and (ii) through a **co-investment** scheme, taking minority interests in a special-purpose vehicle.

Over the last three fiscal years, our **Real Estate Services division has delivered 1,000+ homes to third parties**, holding a minority stake in approximately 63% of these deliveries. As of 31 March 2024, this division was **managing the development of around 3,600 homes under construction for third parties** with a total investment value above **€320 million,** as well as two new **joint venture projects**, encompassing a total of **880 units** across 13 projects under development through vehicles set up specifically for **co-investment purposes.**

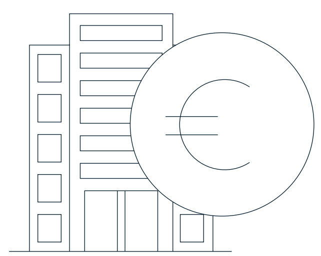
Residential development management for third parties under the co-investment formula

We offer our partner investors the chance to benefit from our know-how and broad reach in local markets to identify off-market investment opportunities and leverage our proven ability to develop and sell residential properties.

We set up special-purpose vehicles for each development, in which AEDAS Homes takes a minority stake. These vehicles acquire ready-to-build land in locations where we are confident about the level of demand for a residential development and its technical and financial viability.

We then manage the development end-to-end on behalf of the investment vehicle, with the various investors generating a return on their investment in the process.

In FY 2023/24, our Real Estate Services division closed **two co-investment transactions** worth close to **€300 million** of equity, cementing its position as a trustworthy industrial partner in the Spanish residential development space. .



Residential development management directly for third parties

Our Real Estate Services division also provides third parties with residential development services under **public-private partnership schemes**. We assist our partners and manage their property developments end to end, from business generation and development through to completion and commissioning.

The most important project within this business line is our participation in the **Madrid regional government's affordable rental scheme, Plan VIVE I**, involving the construction of nearly **3,600 affordable rental units** across 23 developments.

These developments are located in Madrid city (Valdebebas), Alcalá de Henares, Colmenar Viejo, Getafe, Torrelodones, Alcorcón, Móstoles, San Sebastián de los Reyes, Torrejón de Ardoz and Tres Cantos.

At 31 March 2024, they were all of these nearly 3,600 units were **under construction** and the first units were slated for delivery during the second half of 2024.

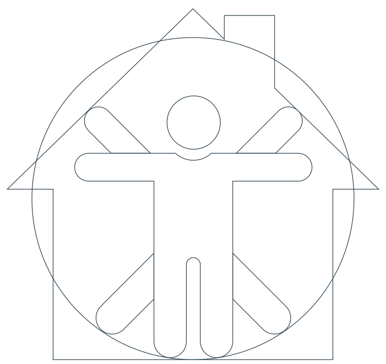
Our business model

Our business model is articulated around five pillars which give us the flexibility to adapt to different scenarios and generate value for our shareholders and other stakeholders.

Zenity Cyan (Estepona)

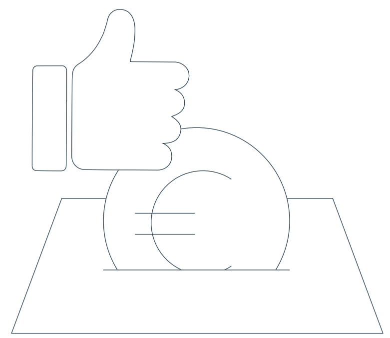
BUSINESS MODEL PILLARS

Sustainable, people-focused homes



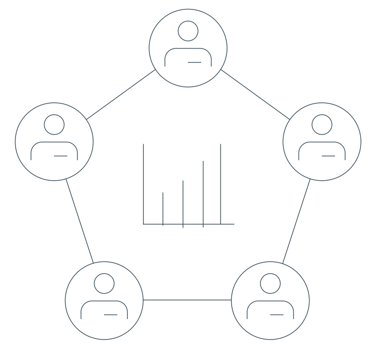
- Designs drafted with individuals and their wellbeing in mind
- Retail customers with mid to upper income levels
- In-depth market studies for optimal product definition
- Innovative use of technology at all customer touch points

Select investments in quality land



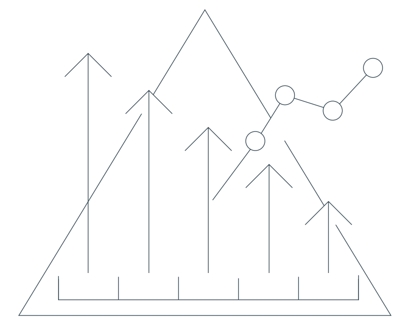
- Concentrated in areas with proven, long-term demand fundamentals
- Regional experts with deep knowledge of their local markets
- Ability to originate, analyse and execute opportunities of varying sizes
- Centralised due diligence, negotiations and closings

Decentralised and scalable management



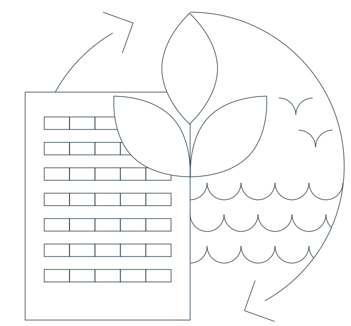
- Nimble and flexible organisational structure
- Regional teams with rich experience so as to leverage local know-how
- Centralised supervision with key functions performed in-house
- Design, sales and construction outsourced to trusted partners
- Limited fixed-cost base

Bottom-up approach



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

Innovation inspired by sustainability ambitions



- Digitalisation of processes all along the value chain
- Use of Modern Methods of Construction (MMC)
- Use of environmentally-friendly materials

Sustainable, people-focused homes

The homes we build focus on individual wellbeing and environmental respect. We design modern and balanced homes that look good and perform better.

Our homes are characterised by flexible layouts to make them comfortable to live in throughout their residents' lives and evolving needs. We prioritise our customers' health and wellbeing, paying particular attention to noise, temperature and light comfort.

Our homes are connected with nature by large windows and balconies that overlook gardens.

We target our homes at the mid to upper segments of the market and give our demanding customers - who are typically not buying their first home and understand their needs - what they want. Our customers are perfectly capable of identifying the traits that set our homes apart, including our quality specifications and personalisation options, they are environmentally conscious and appreciate the advantages of an energy-efficient home.

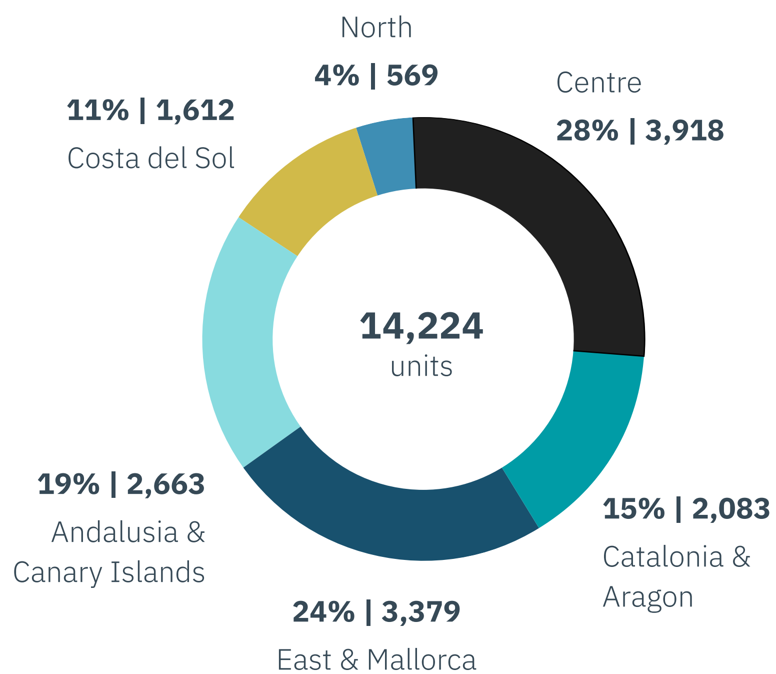
+ For further information, refer to "Customers: we innovate to keep them satisfied"

Select investments in quality land

LAND BANK BREAKDOWN*

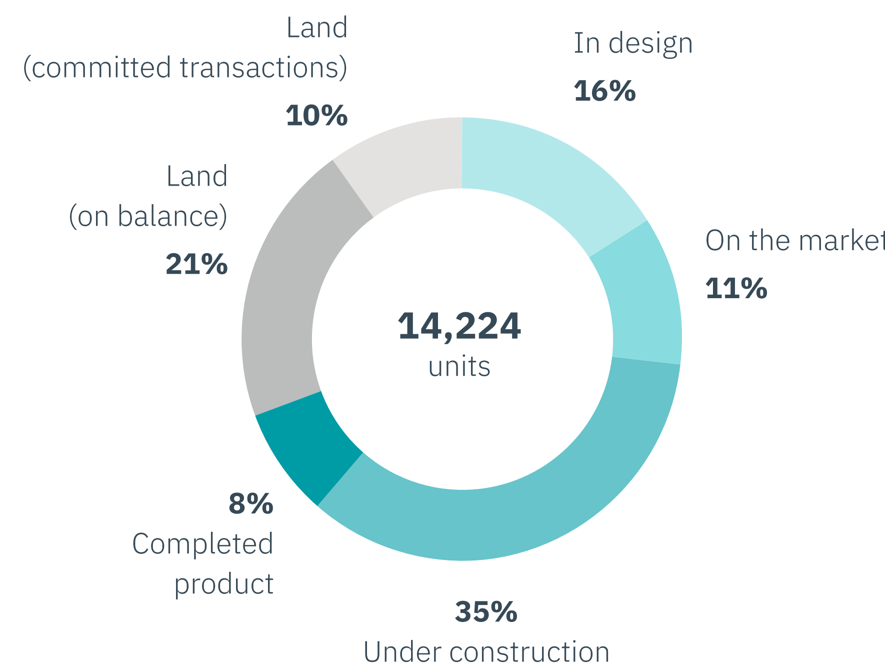
Land bank breakdown by Regional Branch

Units



Land bank breakdown by development stage

Units



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

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

The Regional Branches are responsible for sourcing and proposing the most compelling land acquisition opportunities, aligned with our principles, leveraging their knowledge of local customers and products. Their pitches are analysed and approved by the Investment Committee, factoring in the overall corporate strategy.

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

As for our land coverage ratios, we take a dynamic stance depending on the timing of the residential market cycle. That means we may reduce or increase our coverage depending on prevailing market conditions. Although our coverage ratio has been steady at around five years of future deliveries in recent years, our goal is to maintain a ratio of between four and five years.

* The total number of units comprising the land bank includes newly-acquired land in FY 2023/24, the investments that the company had committed to but had not yet closed in FY 2023/24, and all of the units transferred to the special-purpose co-investment vehicles set up in FY 2023/24.

AI to optimise land investments

Optimising the time it takes to monetise a residential development is key to scaling up our business. Framed by our unwavering effort to make our processes ever more efficient, in May 2023, we implemented **AEDAS Homes GPT Arquitecta**, artificial intelligence powered by Nidus.

This innovative tool is drastically reducing the length of time it takes to draw up the plans needed to substantiate land purchases in order to make the most of their buildable area by optimising the architectural fit. More specifically, the use of AI **slashes the assessment period from two months to two weeks**, while boosting our capacity to analyse site acquisition opportunities by 300%.

In the near future, with the help of AEDAS Homes GPT Arquitecta, we will be in a position to generate an estimate similar to that yielded by full construction execution plans, so calculating forecast margins, before having to present an offer for a site, a milestone expected to lift the return on our investments.

Javier Sánchez, Chief Technology and Communications Officer of AEDAS Homes, at the 2nd Annual Technology Gathering

Decentralised and scalable management

Our organisational structure is decentralised, scalable, efficient and agile.

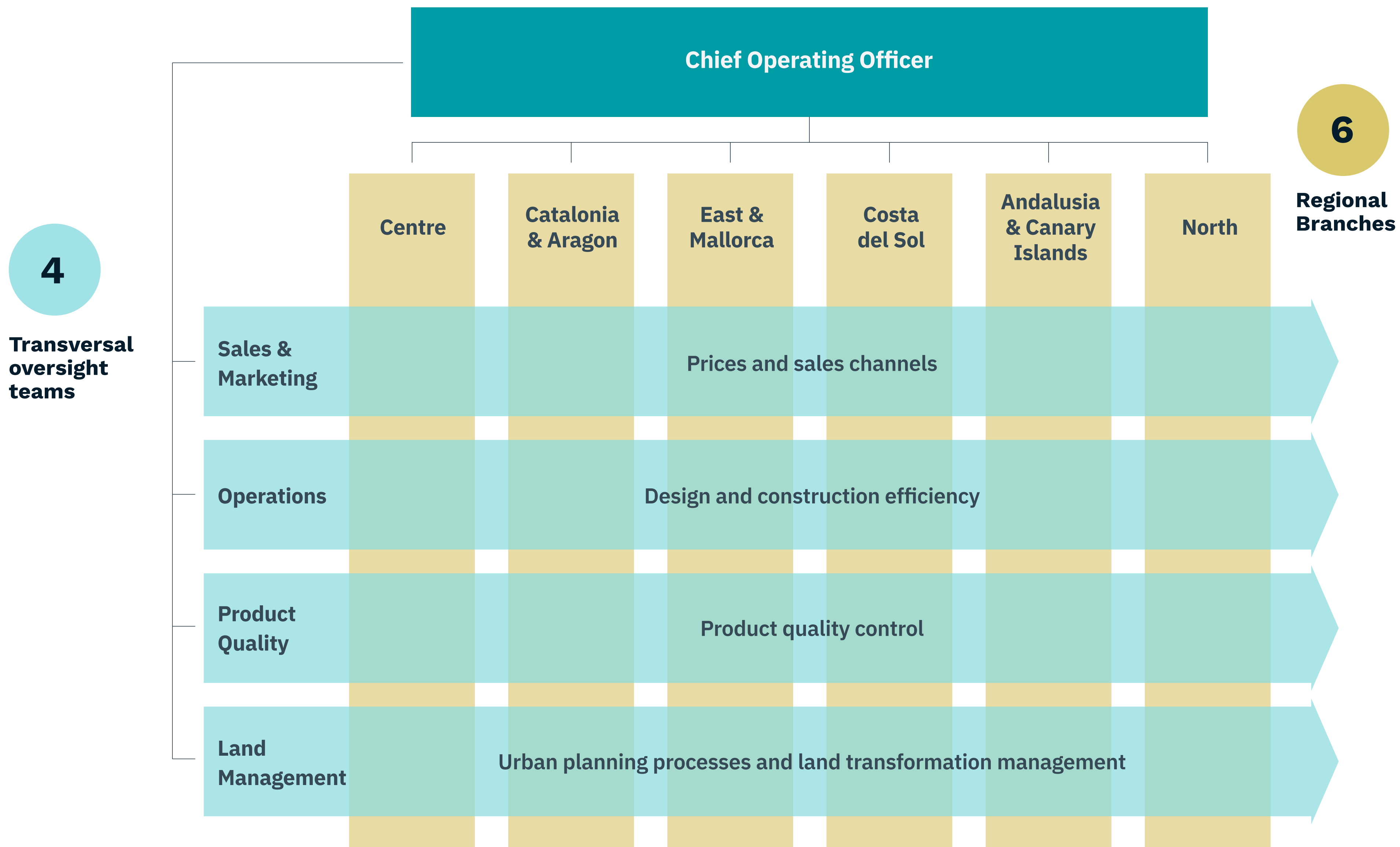
It is made up of six Regional Branches which operate largely autonomously, and four core oversight teams which assist and coordinate the entire organisation around operations, product quality, sales & marketing and land management (urban planning) so ensuring delivery of our business strategy.

We work according to planned and flexible processes that make us predictable while enabling us to respond to different cycles or regional developments.

The critical business functions are carried out in-house, with non-critical functions outsourced. That means we can adapt easily to market developments and achieve our targets nimbly.

Our team is made up of professionals who are committed to AEDAS Homes' values: passion, rigour, honesty and transparency. We are assisted by a carefully selected coterie of external partners (architects, builders, marketers, etc.) who likewise share our values, goals and way of doing things. We build long-term relationships with them, which generates high levels of loyalty and trust and shores up the quality of our developments.

DECENTRALISED MANAGEMENT



Bottom-up approach

Complementing our decentralised management structure, we take a bottom-up approach, which implies tapping the knowledge and experience of the people closest to the action so as to take the most informed decisions. This approach has delivered margins that are above the sector average.

To foster the generation of ideas, suggestions and innovation among our team members, our remuneration policy is based on 360o performance assessments. A portion of our employees' earnings is tied to delivery of our corporate targets.

We pursue effective and proactive management with the aim of eking out higher profit margins all along the development cycle. This approach encompasses all processes: from investment optimisation and construction execution cost control to our sales policy and process and our after-sales service.

We also apply this bottom-up approach to optimising our capital structure and sources of financing, lowering our average cost of capital and broadening and/or diversifying the latter.

To foster innovation, part of our team's remuneration is linked to the achievement of our corporate goals

Innovation at the service of sustainable construction

Innovation is in our blood. We explore novel ways of enhancing our processes and homes and driving the decarbonisation of our developments. We innovate by means of new designs, new construction methods, new services and new ways of engaging with our customers.

This tireless search for efficiency, quality and sustainability is what led us to **pioneer the use of Modern Methods of Construction (MMC)** in residential development in Spain. These methods include the implementation of a wide range of technologies during the various phases of construction: digitalisation of the design, planning and execution processes; offsite construction and end-to-end management of the players involved in the development process.

We use building information modelling (BIM) to design and manage our construction projects. BIM is smart software that, in addition to representing a project's geometry, compiles and stores relevant data regarding materials, costs, timing, energy performance and maintenance.

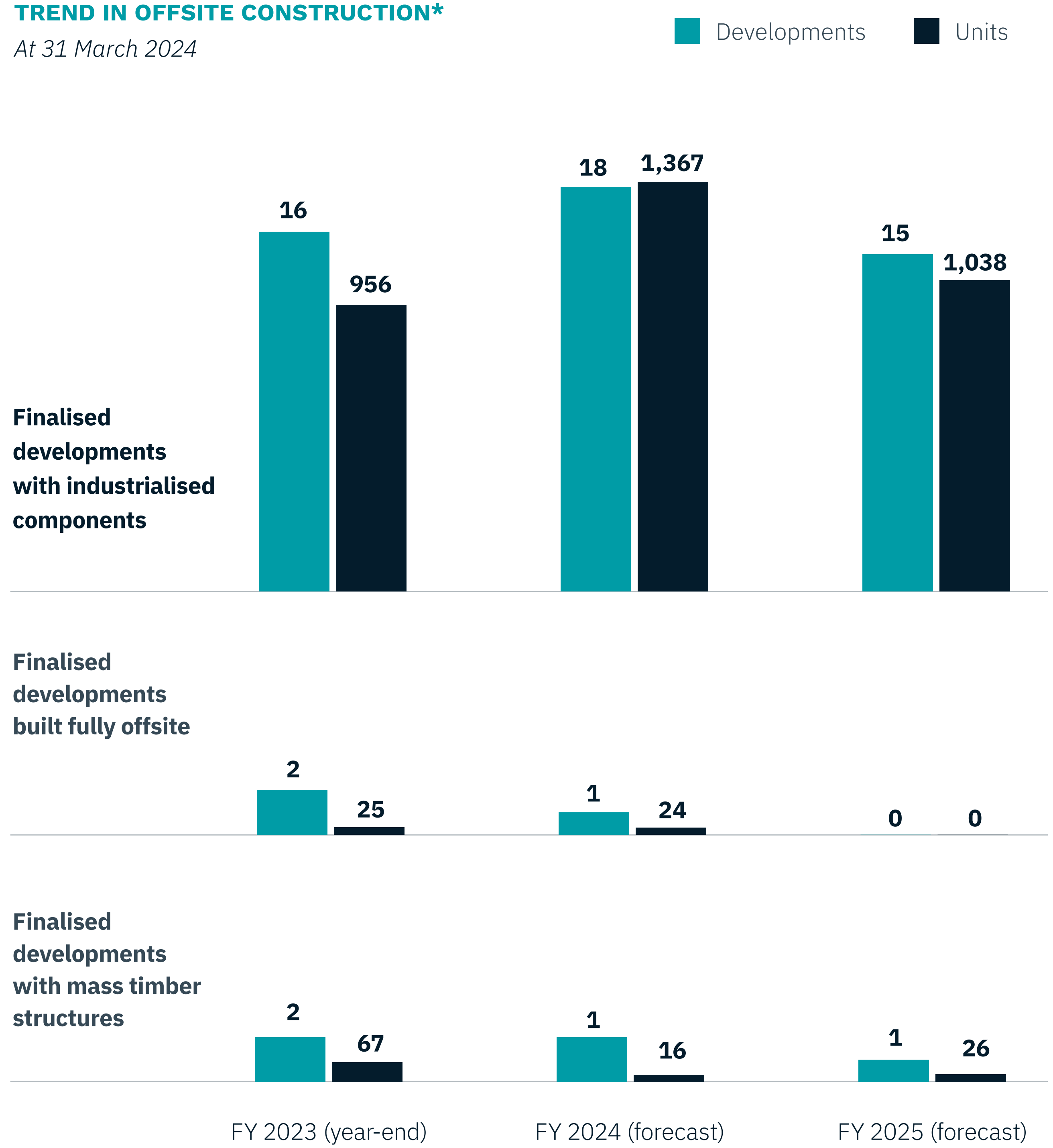
We are committed to increasingly building components of our developments offsite, in controlled environments, for subsequent assembly at their definitive destinations. In 2018, we began to use 3D modular construction to build single-family homes entirely offsite, later incorporating 2D systems to assemble factory-finished industrialised products (bathrooms, façades, structures, etc.) on site. **At present, at least one out of four AEDAS Homes developments is built entirely or partially offsite.**

This formula addresses the sector's most pressing challenges: scarcity of skilled labour and the need to compress construction timeframes, boost product quality and decarbonise the building process.

+ For further information, refer to "Use of Modern Methods of Construction (MMC)"

TREND IN OFFSITE CONSTRUCTION*

At 31 March 2024



* Excludes partitions made using PanelSystem

We view digital transformation as fundamental to progress in the development sector and have therefore developed our own **Developer Operating System** to integrate all our business processes and all the partners involved in the housing construction chain. The applications comprising our operating system are all integrated and synchronised with each other to cover the entire residential development process, from site identification to design and construction oversight based on digital models and even the management of quality incidents that can arise after our homes are delivered.

The introduction last year of a number of predictive and generative AI techniques into a range of internal and external procedures marked a significant milestone in our digital transformation process.

+ For further information, refer to "Our strategy"

We have built our own Developer Operating System to integrate all our business processes and all the partners involved in the housing construction chain

Valdemoro BTR (Valdemoro)

Committed to sustainable development

We are working to build a fairer, more inclusive and more sustainable world. To bring that vision come to fruition, we have embedded the Sustainable Development Goals (SDGs) into our business strategy and are spearheading the real estate sector's transformation through the use of Modern Methods of Construction (MMC).

Signage in the AEDAS Homes Forest in the municipality of Cobeña, Madrid

Contribution to the 2030 Agenda

In 2019, we formally endorsed the Spanish network of the **United Nations Global Compact** and its 10 principles, so placing our commitment to human, labour and environmental rights and to fighting corruption and fraud on public record.

Five years on, we have fully embraced our role as agents of change and **placed delivery of the 2030 Agenda at the heart of our business and strategy**. We are also working to create partnerships with other organisations to extend our impact beyond our immediate sphere of influence.

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

We understand how important it is to report transparently on our progress. Below is a summary of our contribution to each SDG in FY 2023/24. Also, in each chapter of this report we indicate in greater detail the SDGs our activities contributed to.

CONTRIBUTION TO THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

SDG	NOTEWORTHY CONTRIBUTIONS MADE IN FY 2023/24
3 GOOD HEALTH AND WELL-BEING **SDG 3. Health and wellbeing**	Employee wellbeing programmes: medical check-ups, flu jabs, office physiotherapy sessions, Healthy Week event, mindfulness workshops, road safety talks, Healthy Cities challenge and mental health tips.
	Monitoring of safety conditions throughout the construction process.
	Health and Safety Awards at our developments.
8 DECENT WORK AND ECONOMIC GROWTH **SDG 8. Decent work and economic growth**	98% of employees on permanent contracts.
	Annual Training Programme (77 hours/employee).
	78 events at universities and business schools to help young people find work.
	Programmes for new graduates: Development Managers in Training and Development Technical Specialists in Training.
	Remote working policy.

SDG	NOTEWORTHY CONTRIBUTIONS MADE IN FY 2023/24
SDG 9. Industry, innovation and infrastructure	36% of units delivered built partially or fully offsite. Pilot tests for the use of artificial intelligence at different stages of the development process. Technology platform for external partners (Developer Operating System). Introduction of phygital experiences. Pilot testing of 100% online development marketing. Strategic alliances to explore innovation in residential development. Innovation workshops and Innovation Newsletter for employees.
SDG 10. Reduce inequality	Development services for the construction of 3,600 affordable rental homes under Madrid's Plan Vive. Corporate Volunteering Programme.
SDG 11. Sustainable cities and communities	Social Action Plan. Engagement in the development of affordable homes. Life cycle assessments (LCAs) performed at 100% of developments completed in FY 2023/24. 100% of developments compliant with the Green Book and/or BREEAM. 62% of developments completed in FY 2023/24 obtained AA energy ratings. Green spaces and sustainable drainage. Sponsorship of a number of local sports clubs.

SDG	NOTEWORTHY CONTRIBUTIONS MADE IN FY 2023/24
SDG 12. Responsible consumption and production	100% of developments compliant with the Green Book and/or BREEAM.
	Life cycle assessments (LCAs) performed at 100% of developments completed in FY 2023/24.
	Spain's first housing development to incorporate fully recycled aluminium components.
	Sustainable concrete used at three developments.
	Insulation scraps recycled for use in façades.
	Use of cross-laminated timber (CLT).
	One tree planted for every home delivered.
SDG 13. Climate action	62% of developments activated in FY 2023/24 are targeting an AA energy rating.
	Delivery of developments built partially or fully offsite.
	Equipping our developments with recycling facilities and sustainable drainage systems.
	Delivery of Fioresta, our first multi-storey development with a CLT structure.
	Construction of three residential developments featuring low-carbon concrete, which reduces emissions by 30%-50% by comparison with traditional concrete.
SDG 17. Partnerships for the goals	Participation in key sector platforms to foster sustainable building.
	Sustainable building agreements with suppliers.

Membership of the World Green Building Council (WGBC)

We are at the forefront of the sector's transition towards sustainable building so as to achieve a net zero, healthy, equitable and resilient built environment. Bearing that out, we are members of Green Building Council Spain (GBCe), the country's leading sustainable building organisation.

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

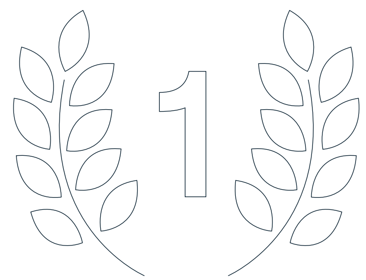
+ For further information about the associations to which AEDAS Homes belongs, refer to "Society: we contribute to the sector's development"

ESG policy and goals

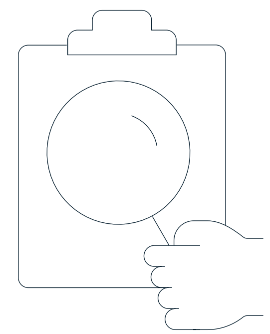
To formalise and specify our key ESG lines of initiative, framed by our mission and values, our strategy and the commitments made to our stakeholders, in July 2021, AEDAS Homes' CEO approved our **ESG Policy**. Approval of that policy marked delivery of the first milestone laid out in ESG Strategic Plan 2021-2023, approved by the Board of Directors in 2021.

ESG POLICY PRINCIPLES

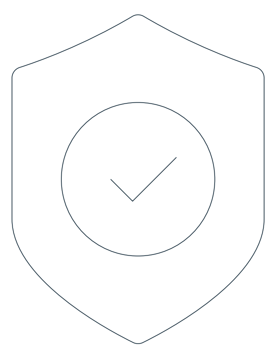
Compliance and integrity



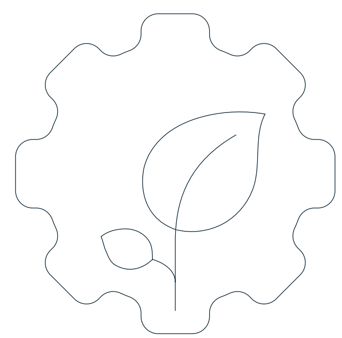
Excellence



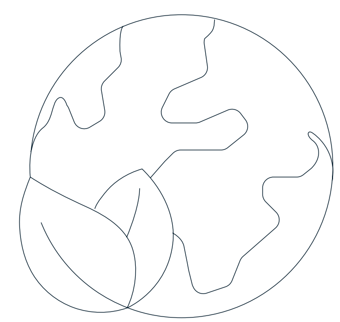
Transparency



Health and safety



Sustainability and innovation



Environmental protection

Duties

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

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

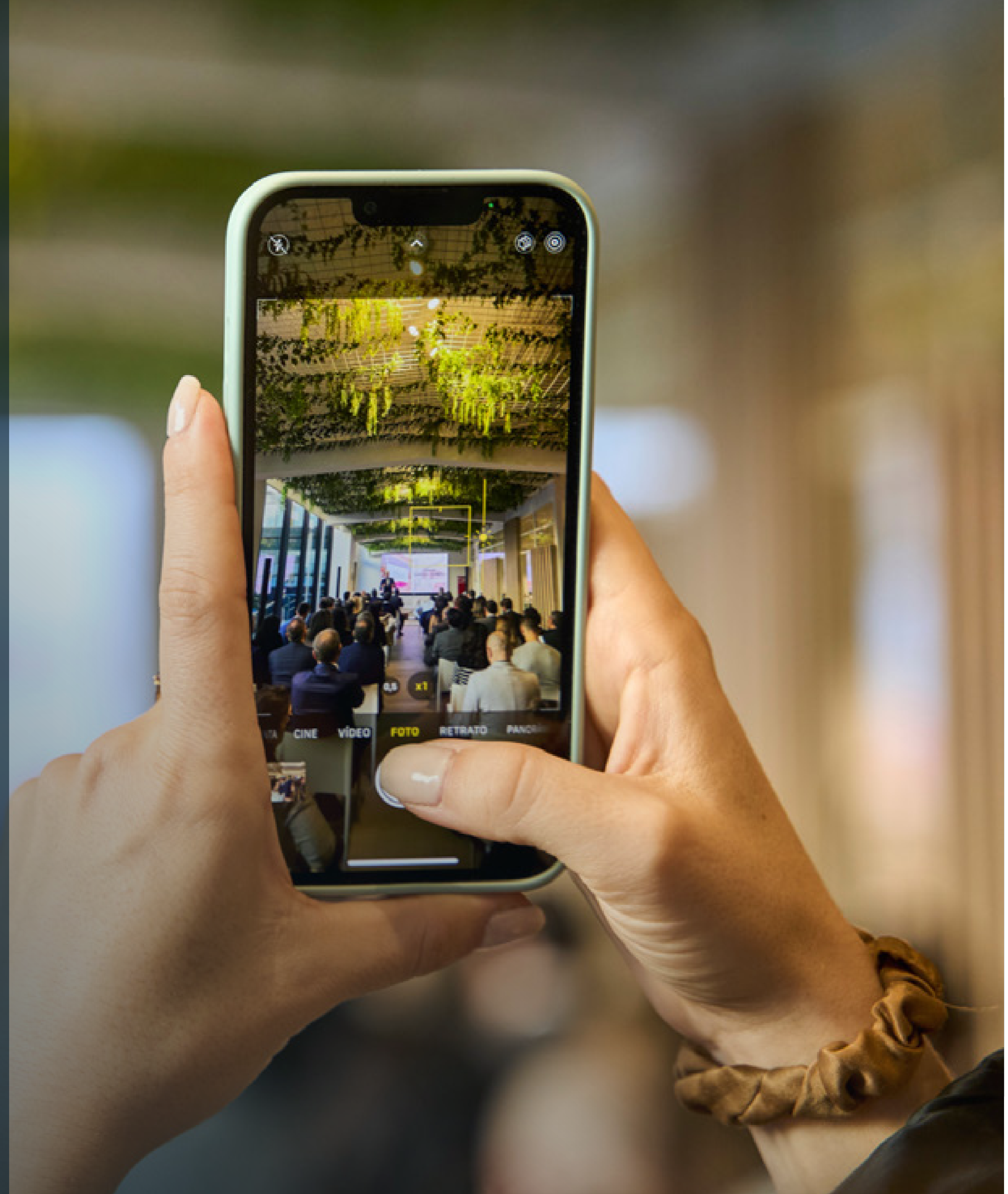
The ESG Committee is made up of the CEO, the CFO, the Chief Technology and Communications Officer and the Chief Corporate Resources Officer (who also acts as ESG Coordinator), who share the responsibility of running, championing, cementing and monitoring ESG targets, initiatives and performance.

Integration of ESG aspects

The ESG Strategic Plan 2021-2023, formulated to integrate sustainability into our business activities, has been executed successfully. In **March 2024, the Board of Directors approved a new ESG Strategic Plan 2024-2026**, delving deeper into the next lines of initiative and action plans to be pursued.

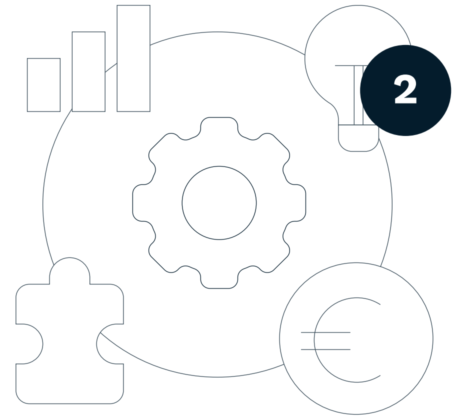
Our strategic vision

Here at AEDAS Homes, we are working tirelessly to build an efficient, profitable, sustainable and responsible residential development model focused on the wellbeing and needs of an ever-evolving society. We are motivated to continue to make progress and, from a position of leadership, tackle the challenges facing our industry. Being able to anticipate and react to the new paradigms is a key success factor and increasingly requires all of us to share and exchange ideas, initiatives and goals so that we are all working in the same direction: that of consolidating AEDAS Homes as Spain's benchmark residential developer.

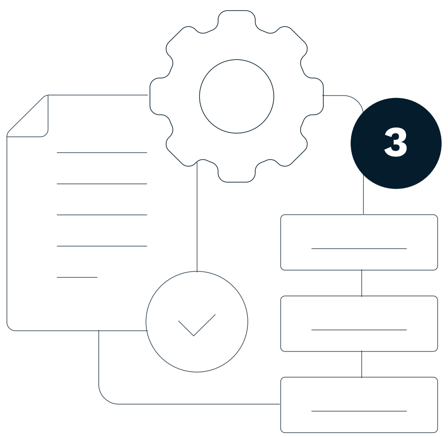


Delivery of this ultimate goal is embedded into a long-term strategy articulated around **four dimensions**: (i) developing a unique and complementary product range; (ii) using our capital in a rigorously disciplined manner; (iii) committing strategically to process optimisation; and (iv) embracing sustainability and corporate responsibility.

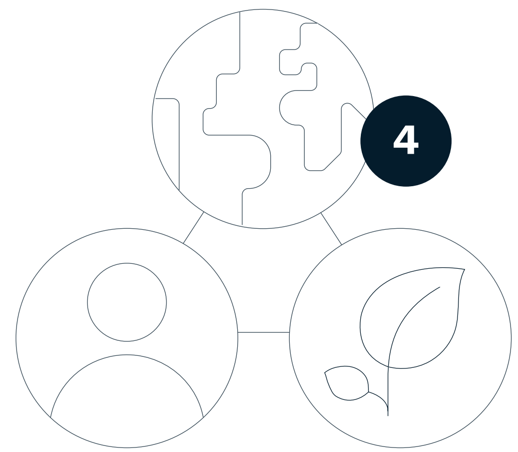
Developing a unique and complementary product range



Using our capital in a rigorously disciplined manner



Committing strategically to process optimisation



Embracing sustainability and corporate responsibility

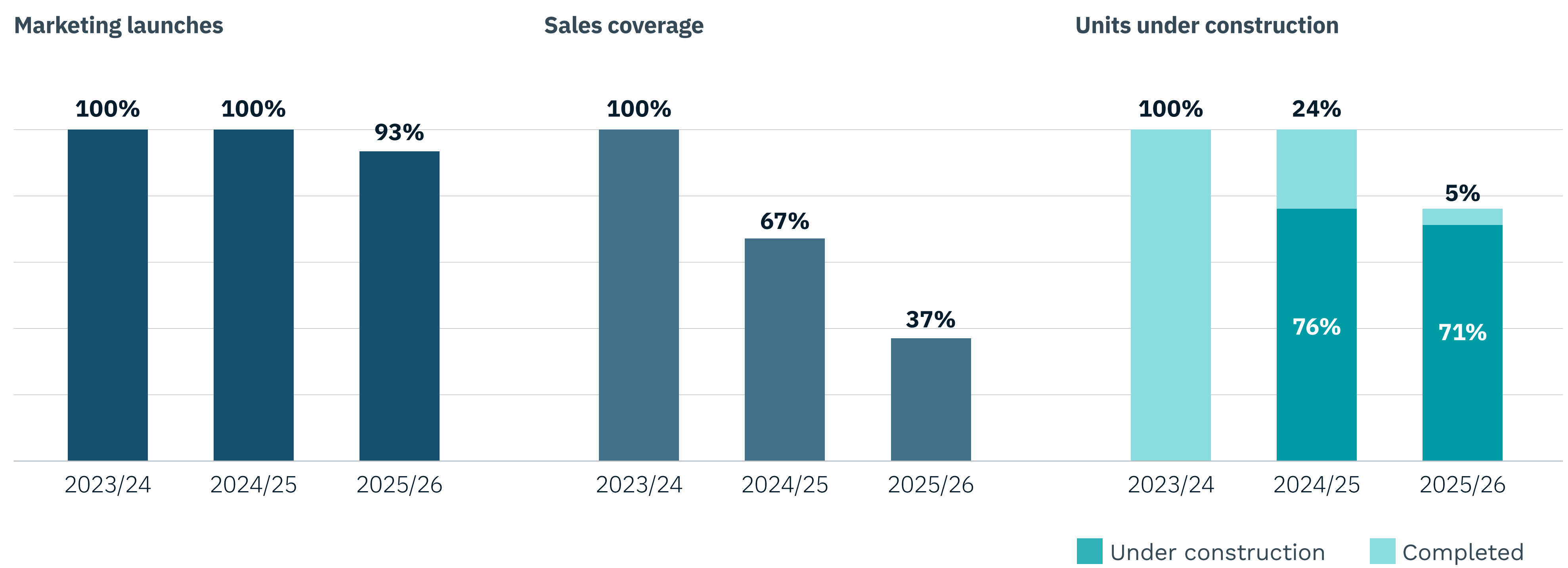
Our strategic vision focuses on four dimensions with specific lines of action to consolidate our position as Spain's leading homebuilder

Business and financial strategy

In just seven years, we have reported exponential growth across all our key metrics: over €1.2 billion invested in land; 18,000+ homes put on the market (300+ developments) and 11,000 homes delivered. The company's strong momentum, underpinned by the course astutely taken by an extraordinary team of professionals, is evident in the **milestones** attained in FY 2023/24:

- **Record revenue** from homes delivered: €950 million (2,800+ units delivered).
- **Excellent sales performance**: over €960 million in pre-sales, driven by the sale of homes to individuals at an average price of €415,000.
- **Visibility** into delivery of our targets for the coming years, borne out by coverage ratios of 67% and 37% for FY 2024/25 and FY 2025/26, respectively.
- **Dynamic investment activity** to shore up our land bank. In FY 2023/24, we invested over €220 million in land for the development of 2,500+ homes which are expected to generate more than €900 million in revenue.
- We also entered into **co-investment agreements** worth almost €300 million, paving the way for scaling up our business while making more efficient use of our resources.

COVERAGE OF BTS AND BTR DELIVERIES
At 31 March 2024

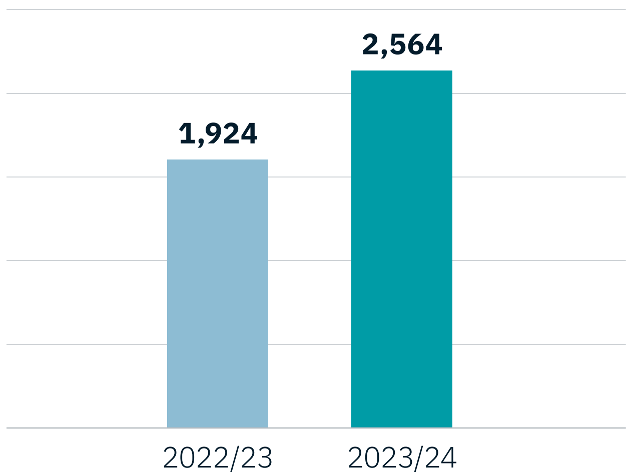


However, to be able to continue to notch up new successes and provide our shareholders with attractive and growing remuneration, we are aware that we need to stay consistently at the forefront of our sector. That ambition is behind the four dimensions of our defined business strategy.

INVESTMENT VOLUMES: EXECUTED NEW INVESTMENTS + COMMITTED INVESTMENTS IN THE PERIOD

At 31 March 2024

Units



AEDAS Homes headquarters in Madrid

To keep notching up new successes and providing our shareholders with attractive remuneration, we know that we need to stay at the forefront of our sector with a clearly-defined business strategy

The four dimensions and their key lines of initiative

1 Developing a unique and complementary product range

Societies have long been evolving but the pace of socio-demographic change has accelerated of late. Geographic mobility, medical advances, population ageing and shifting consumption patterns are some of the changes impacting the residential sector, where new living arrangements are burgeoning.

Here at AEDAS Homes we want to provide solutions for these new trends, leveraging our competitive positioning and know-how, and we are developing products designed to suit every class of consumer.

- Our **BTS product**, the sale of homes to individuals, remains our core product. Our goal is to reinforce our competitive positioning in this segment by designing value-adding developments and deploying innovative marketing strategies to hone our positioning and expand our customer base (in Spain and abroad) in each of our areas of influence.

- Our **BTR** product, developments targeted at institutional investors for subsequent rental, remains a defensive product as it allows us to turn over properties in asset-heavy markets and mitigate sales risk by selling to a single customer.

- We plan to continue to help increase the supply of **affordable housing** by participating in public-private partnership schemes, as well as directly developing houses at affordable prices without public subsidies, ultimately helping to alleviate Spain's housing affordability problem.

- Lastly, we are complementing our traditional product portfolio by developing **alternative products**, specifically co-living dwellings in Spain's main city centres and independent senior living communities in the busier coastal area, mainly targeted at international buyers.

Here at AEDAS Homes we want to respond to socio-demographic changes and new living trends with innovative products

2 Using our capital in a rigorously disciplined manner

The residential development business is capital intensive and capital is a limited input. It is therefore key to allocate our funds efficiently in order to ring-fence our competitiveness. Here the main lines of action include:

- Applying a **strict investment** policy. New investments must pass location, land-into-cash flow conversion and profitability hurdles. We mainly invest in ready-to-build land located in the regions of Spain presenting strongest economic and demographic momentum and scope for attractive returns, which we measure in terms of both the estimated net profit margin and our potential internal rate of return (IRR).
- We design an annual schedule for the **natural turnover of land not considered strategic** so as to monetise those investments at attractive returns and finance new investments.
- We are setting up new **co-investment vehicles** that are funded privately by third parties as a means to achieving growth while optimising the use of our own resources.
- Lastly, we continue to diversify our sources of financing and are committed to maintaining our **leverage at conservative levels**, aligned with the company's business volumes.

Allocating our resources efficiently is key to protecting our competitive advantage

3 Committing strategically to process optimisation

Our business model is underpinned by **industrial models**. As such, our operations team is focused on identifying our **key business processes** for analysis and, ultimately, enhancement. The goal? **Making the organisation more efficient and effective.**

The main lines of initiative on the **process optimisation** front are:

- Fostering the use of **Modern Methods of Construction**, including offsite construction, systems that combine digitalisation, technology, innovation and sustainability. Our goal for the coming years is to use these methods to produce 30% of all of the homes we deliver, which will not only allow us to shorten construction timeframes at a known cost but also to offer stronger quality guarantees, increase site safety, streamline after-sales processes and reduce our environmental impact.
- Driving **digitalisation and integration** in order to streamline processes, avoid errors and provide the organisation with tools for scaling up our business and generating more value.

  The digitalisation process undertaken so far has yielded a Developer Operating System which integrates, in a single platform, the processes involving our external partners, improving efficiency at all levels of the organisation.

However, we want to make further progress and do things even better. We therefore remain committed to identifying all technological tools that can improve the way we work. To that end we are closely following the progress being made in the field of artificial intelligence, technology we believe we can use to eke out productivity and efficiency gains all along our production chain to render it more synchronised, efficient and scalable.

Our goal for the coming years is to keep building faster and building better, by ensuring that at least 30% of the homes we deliver implement Modern Methods of Construction

New AI Plan: towards a smart Developer Operating System

We are in the midst of formulating our Artificial Intelligence Plan 2024-2026 applied to Real Estate (AIRE Plan), with active input from a dedicated AI team which represents all areas of the company.

While our Technology area has identified as many as 90 potential use cases for AI, the AI team will ultimately be responsible for defining the projects to be pursued. That team's mission is to "extract the maximum value from AI as a lever for productivity and operational efficiency by means of quantifiable and high-impact projects capable of boosting the company's ROE".

Although the speed with which artificial intelligence is advancing and knowledge gap around this topic make it hard to pin down a medium-term plan, we are already implementing the first pilot tests in a number of areas in collaboration with external providers. We are learning from these initiatives and getting ready for new ways of working.

Over the next three years, we plan to expand the use of AI in our various business processes with the goal of becoming an AI-driven developer. The idea is to multiply our employees' and suppliers' capabilities so as to scale up the business efficiently.

4 Embracing sustainability and corporate responsibility through our ESG Strategic Plan

We are committed to sustainability and responsible engagement with our stakeholders. We are an agent of change within the residential development sector.

In 2021, we launched our first ESG Strategic Plan 2021-2023, which we have already completed successfully. As a responsible and committed firm, we have already designed and approved a new ESG Plan 2024-2026 so as to continue to nurture sustainability in our business model, strengthen our ties with our stakeholders and defend our robust corporate governance model.

Our new ESG Strategic Plan 2024-2026 will help us to engage more with stakeholders and maintain our solid corporate governance model

Sede corporativa AEDAS Homes

ESG strategy

FY 2023/24 marked the end of an important stepping stone in our sustainability journey as we completed our ESG Strategic Plan 2021-2023, which served as the basis for formulating our new ESG Plan for 2024-2026.

The two plans share certain specific aspects: integration of ESG matters into our corporate strategy, clear definition of the lines of initiative to be pursued and the establishment of tangible and measurable targets to gauge our progress.

By the end of FY 2023/24, **we had delivered the targets set in the ESG Strategic Plan 2021-2023**, grouped into eight lines of initiative and 27 specific actions, positioning us to embark on a more ambitious new plan.

DELIVERY OF THE ESG STRATEGIC 2021-2023 PLAN

Eight lines of initiative and 27 specific action plans

Dimension	Line of initiative	SDG	Targets delivered between 1 April 2021 and 31 March 2024	
Governance	ESG governance and value generation	8, 11, 17	1	Definition and approval of the ESG Policy.
			2	Execution of an incentive scheme tied to delivery of ESG targets for senior management and key employees.
			3	Risk map updated, with two ESG risks identified.
			4	Compliance management system certified under UNE 19601.
	Transparency and brand	8, 11, 17	5	Annual report prepared as an Integrated Report.
			6	Improvement in ESG ratings.
			7	Implementation of an internal ESG reporting system.
			8	ESG matters layered into the company's communication strategy.

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

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Dimension	Line of initiative	SDG		Targets delivered between 1 April 2021 and 31 March 2024
Environmental	Climate change	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action	9	Approval of a Climate Action Policy.
	Healthy and sustainable developments	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production	10	Section of the Building Specifications Book devoted to describing our homes' sustainable, efficiency and wellness features.
			11	AA energy rating obtained for at least 60% of developments.
			12	100% of our developments built to specifications aligned with the Green Book or another prestigious seal.
			13	Recycling facilities and sustainable drainage systems installed in at least 25% of completed developments.
			14	7,805 trees planted for every home delivered.
	Ecoefficient operations	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production	15	25% of homes delivered built partially or fully offsite.

Dimension	Line of initiative	SDG	Targets delivered between 1 April 2021 and 31 March 2024	
Social	Excellence and innovation in customer dealings	8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 17 Partnerships for the goals	16	Questions about sustainability perceptions added to customer satisfaction surveys. 65% of our customers see us as sustainable.
			17	Employees encouraged to adopt a culture of innovation through six Innovation Workshops
			18	Publication of a quarterly Innovation Newsletter.
	Human capital	3 Good health and well-being; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure	19	Development of an ESG training plan for all professionals.
			20	Rated as a Great Place To Work in the Spanish real estate sector for the third year running.
			21	Helping young people get ready for the world of work: participation in 182 events.
			22	Inclusion of an ESG target in the annual variable remuneration system covering 81% of the workforce.
			23	Remote working policy.
			24	Physical and mental wellbeing programmes for employees.
	Social footprint	10 Reduced inequalities; 11 Sustainable cities and communities; 17 Partnerships for the goals	25	Annual Social Action Plan to support groups or communities in need.
			26	Annual Corporate Volunteering Programme to promote a culture of employee collaboration (3 initiatives per year).
			27	#ConLasArtes: Annual programme to promote and support local artists in the communities where we develop our homes: 16 competitions launched across different artistic disciplines.

Significant improvement in ESG ratings

Gradual integration of ESG aspects into our business activities and strategy and execution of our ESG Strategic Plan have led to steady improvement in the ratings awarded by the two specialist agencies that assess our ESG performance annually, Sustainalytics and MSCI.

Thanks to the progress made on the ESG front, in July 2023, **Sustainalytics** gave AEDAS Homes a **score of 10.9**, which implies low ESG risk. Moreover, that score entitles AEDAS Homes to Sustainalytics' **Regional Top-Rated** Badge.

Elsewhere, **MSCI** awarded AEDAS Homes an **A rating** for its ESG performance in May 2023 on the basis of analysis of our FY 2021/22 Annual Integrated Report. That score implies noteworthy progress in the last five years.

Two girls planting a sapling at the "AEDAS Homes Forest" in Dos Hermanas, Seville

Approval of the new ESG Strategic Plan 2024-2026

In March 2024, AEDAS Homes' Board of Directors approved a new ESG Strategic Plan which defines and specifies our strategic priorities through to 2026.

The new roadmap delves deeper into the eight lines of initiative established in the plan just completed and adds one new thrust - related with the circular economy. As a result, it comprises nine lines of initiative along with new and more ambitious targets.

To ensure progress on each line of initiative, we have established **31 tangible and measurable targets** to be executed over the new plan's three-year horizon. Interim delivery milestones have been set and there is an annual budget of €500,000 for their execution.

To make the plan more measurable and transparent, we have also set up an internal manual to facilitate how we report on the environmental aspects of the plan and assign responsibilities and accountability.

LAUNCH OF THE ESG STRATEGIC PLAN 2024-2026

Nine lines of initiative and 31 specific action plans

Dimension	Line of initiative	SDG		Actions
Governance	ESG governance and value generation	8 Decent work and economic growth; 11 Sustainable cities and communities; 17 Partnerships for the goals	1	Including a specific ESG performance metric in the three-year incentive plan for senior management and key employees.
			2	Monitoring the ESG risk map.
			3	Certifying the compliance management system under UNE 19601.
	Transparency and brand	8 Decent work and economic growth; 11 Sustainable cities and communities; 17 Partnerships for the goals	4	Providing an account of the company's ESG performance in our Annual Integrated Report.
			5	Ongoing assessment by the two ESG rating agencies, ranking within the top 10% among the Spanish real estate developers.
			6	Provision of training to all employees involved in the environmental reporting effort.
			7	Including our ESG targets and milestones in the company's various communication plans (external and internal).
			8	Reporting on the environmental metrics related with the consumption of energy and generation of building waste during the construction phase of our developments.

Dimension	Line of initiative	SDG		Actions
Environmental	Climate change	9, 11, 13	9	Performing life cycle assessments (LCAs) at 100% of our developments.
			10	Calculating the company's carbon footprint (Scopes 1, 2 and 3).
			11	Formulating and implementing the company's decarbonisation roadmap (2024-2026).
	Healthy and sustainable developments	9, 11, 12	12	Including a section on our homes' sustainability, efficiency and wellness aspects in the Building Specifications Book.
			13	Obtaining an AA energy rating for at least 60% of our developments and, also, a BA rating for at least 15% of our developments.
			14	Following Green Book standards, or those of an equivalent prestigious green building seal, at 100% of our developments.
			15	Installing sustainable drainage systems in at least 40% of our developments and water reusage systems in at least 35%, to the extent technically and legally feasible.
			16	Planting a tree for every home delivered.
			17	Providing the Operations Department with training around flooding risks and assessment of this risk at AEDAS Homes' developments.
			18	Installing recycling facilities at our developments.
	Eco-efficient operations	9, 11, 12	19	Full or partial offsite construction of 30% of the homes delivered from 2026.
	Circular economy	9, 11, 13	20	Circular Economy Plan: recovering at least 80% of non-hazardous construction waste generated at our developments by 2026.

Dimension	Line of initiative	SDG		Actions
Social	**Excellence and innovation in customer dealings**	8, 9, 17	21	Having 65% of our customers perceive AEDAS Homes as a sustainable developer.
			22	Improving customer communication through the use of digital tools.
			23	Fostering a supportive environment conducive to employee innovation.
			24	Making the chapter of the Building Specifications Book on our homes' sustainability, efficiency and wellness aspects available to all customers.
	Human capital	3, 8, 9	25	Positioning AEDAS Homes as a Great Place To Work in the Spanish real estate sector.
			26	Facilitating the development and job prospects of young talent.
			27	Including an ESG target in the annual variable remuneration system covering all of the workforce.
			28	Maintaining the employee physical and mental wellbeing programme.
	Social footprint	10, 11, 17	29	Annual Social Action Plan to support groups or communities in need.
			30	Annual Corporate Volunteering Programme to promote a culture of employee collaboration (4 initiatives per year).
			31	Promoting and supporting local artists in AEDAS Homes' business communities through a specific annual programme.

Financial information

El Cañaveral (Madrid)

Economic and market dynamics

Although the market is being shaped by the shift in the European Central Bank's strategy with respect to its main mechanism for controlling inflation so as to preserve economic and financial stability in the eurozone, the Spanish residential development sector is proving resilient, thanks to prudent leverage levels and scant new supply, so that prices have continued to rise, albeit stabilising of late.

Middel Views III (Fuengirola)

Spain has emerged as one of the eurozone's main economic engines, according to the April 2024 World Economic Outlook report from the International Monetary Fund (IMF). According to that report, Spanish gross domestic product (GDP) is expected to **increase by 1.9% in 2024 and by 2.1% in 2025,** compared to average growth across the rest of its European partners of an estimated 0.8% and 1.5%, respectively. The IMF recently trimmed its forecasts for Germany and France for both 2024 and 2025 and is currently estimating growth of 0.2% and 1.3%, respectively, for Germany, and of 0.7% and 1.4%, respectively, for France.

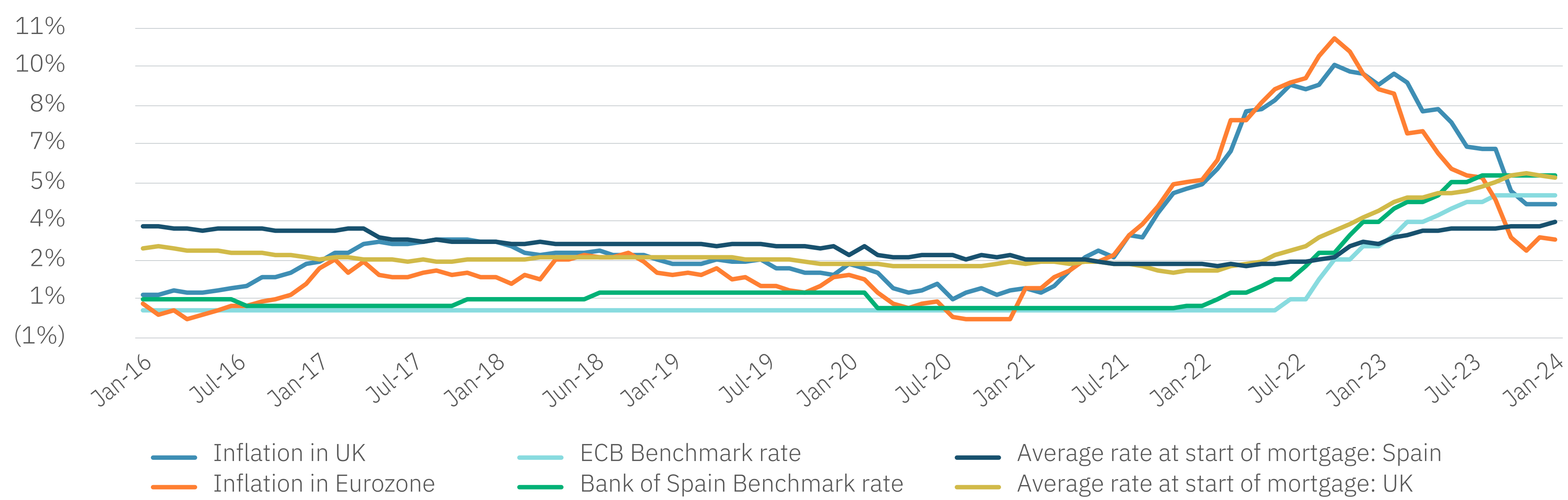
The positive outlook for the Spanish economy is likewise evident in the employment figures published by Spain's Ministry of Inclusion, Social Security and Migration and by its statistics office (INE) at year-end 2023, which confirm the healthy current momentum: 534,000 new social security contributors; over **21.3 million job-holders**, surpassing the last record of 20.8 million job-holders marked in 2007; an **unemployment rate of 11.8%** (down 9.2% from December 2022) with unemployment expected to remain at between 11% and 12% in 2024 according to the latest forecasts published by the Bank of Spain in March 2024; and **a stock of wages that increased by 8.8% from 2022, to €703.7 billion**, thanks to the growth in job-holders, coupled with the pay increases agreed by businesses to mitigate the effects of inflation on their employees' household income.

In parallel, the Spanish economy appears to have entered a period of disinflation, having reported an **annual inflation rate of 3.2% in March 2024** (7.6 percentage points below the peak registered in July 2022 and 10 basis points below the March 2023 rate). The outlook for the short and medium term is optimistic: according to the forecasts published by the Bank of Spain in March 2024, inflation is expected to continue to trend lower to average 2.7%, 1.9% and 1.7% in 2024, 2025 and 2026, respectively.

The let-up in inflation is the result of the contractionary monetary policy embarked on by the ECB in July 2022 to curb inflationary pressures in the eurozone and bring headline inflation back under the target rate of 2.0%. To do so, the European monetary authority increased its official rate from 0.0% in July 2022 to 4.50% by September 2023. Although the ECB has kept its benchmark rate at 4.50% since its September meeting in light of the persistence of certain inflationary pressures, the message signalled to the market since then suggests the **possibility of initial rate cuts in 2024** as visibility increases around its internal forecasts for average inflation of 2.3% in 2024, 2.0% in 2025 and 1.9% in 2026, so as not to undermine the prospects for growth in the eurozone, for which the outlook is currently weak.

AVERAGE RATE OF INTEREST ON NEW MORTGAGES

Percentage



Source: INE, UK Government, Eurostat and ECB

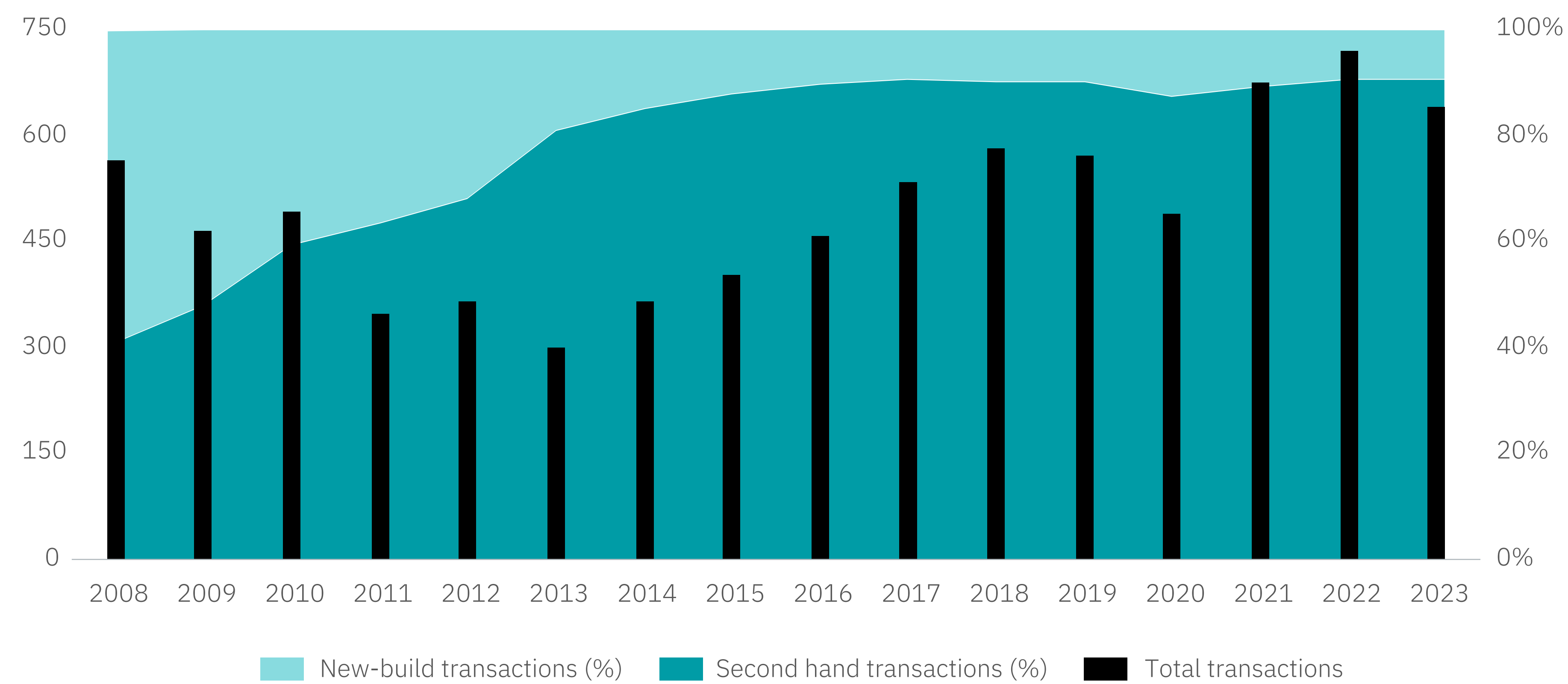
The increase in benchmark rates has quickly translated into higher mortgage costs for home-buyers and higher construction costs, affecting housing sale volumes (sales of both housing to individual owners and sales of new-build housing for rental).

In 2023, residential **property transactions in Spain totalled 638,522, down 11.0% from 2022**, a year in which transaction volumes hit a 15-year high. Note that despite the contraction, the Spanish housing market shrank by less than other European markets; for example, residential transactions in the UK decreased by 19% in 2023 (source: UK Government). The contraction in transactions in Spain was concentrated in the first nine months of 2023 (when they decreased by 13.4% year-on-year), declining by just 3.6% in the fourth quarter, which is when the ECB paused its benchmark rate increases (*source: Ministry of Transport, Mobility and Urban Agenda*).

The contraction in transaction volumes was roughly 11% in both new build homes and resale homes in 2023. However, an analysis of the trend in transaction volumes by quarter and type of dwelling reveals a **sharp improvement in sales of new homes in the last quarter of 2023**, when transactions increased by 0.9% year-on-year to 17,072 (which is 19.2% above the average volume recorded in the first nine months of 2023 and 28.4% of all residential transactions in 2023), whereas resale home transaction volumes contracted every quarter, albeit less so in the fourth quarter (*sources: Ministry of Transport, Mobility and Urban Agenda*).

TOTAL RESIDENTIAL PROPERTY TRANSACTIONS

Thousand units and percentage



Source: Spanish Ministry of Transport, Mobility and Urban Agenda

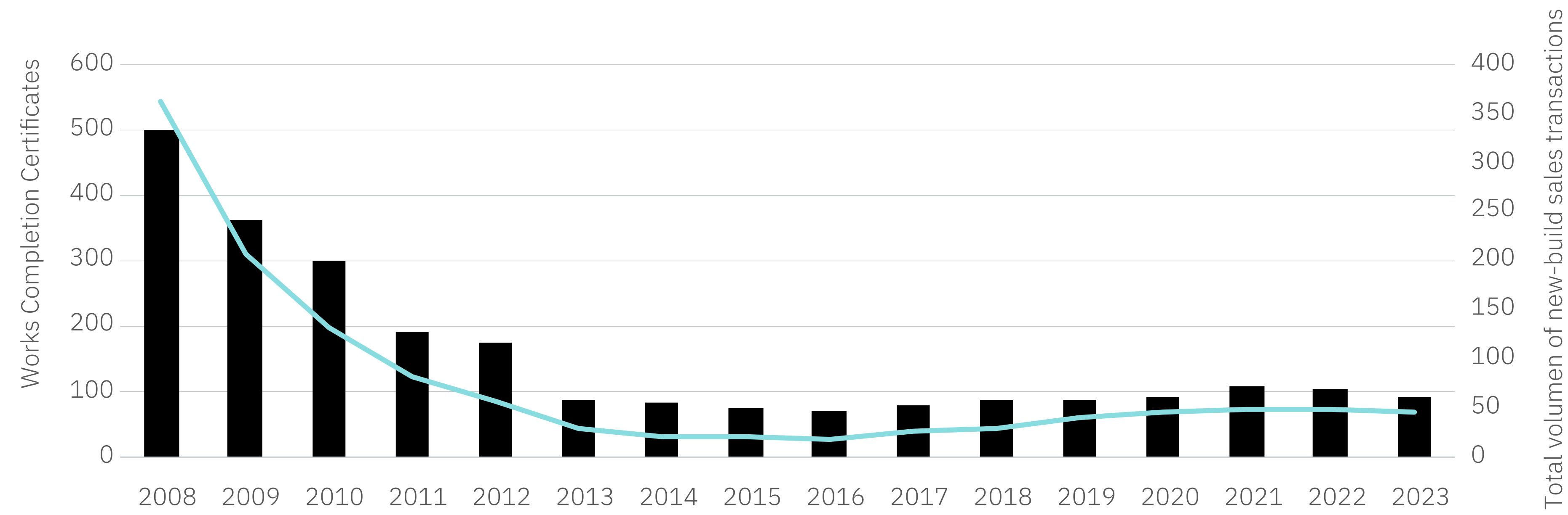
A drop in transaction volumes might be expected to drive a contraction in house prices. That was not the case, however. Quite the contrary. House prices in Spain increased by 4.2% on average in 2023, driven mainly by new house prices, which registered buoyant growth of 7.5% (*source: INE*). Compared to the trend observed in the eurozone, the Spanish residential market proved resilient: whereas prices in Spain were tracking over 4% higher year-on-year as of December 2023, house prices in the eurozone were running 1.1% lower year-on-year on average, with the annual price corrections in Germany (-7.1%), Finland (-4.4%), France (-3.6%) and Sweden (-2.9%) standing out (*source: Eurostat*).

The upward trend in house prices in Spain—with nominal prices back at 2008 levels but still 25% below that threshold in real terms (just 6% below considering new build housing only) (*source: Alantra Equities, report titled Spanish Property Developers, published on 11 March 2024*)—is primarily attributable to the persistent structural imbalance between housing supply and demand.

That shortfall could intensify in the coming years considering the expected acceleration in new household creation to over 200,000 households per annum in 2023-2028 (*source: INE*) and the lack of sufficient construction activity to satisfy that demand assuming that new home production remains steady at current levels (around an annual average of 86,000 finished houses, including self-development, in 2019-2023 or an annual average of 66,000 finished homes, excluding self-development) (*source: Ministry of Transport, Mobility and Urban Agenda*). These levels are not expected to vary much in the short to medium term, despite a relative stabilisation of construction costs in 2023 (+4.2% in 2023 compared to average costs in 2022, or +3.3% when comparing construction costs in December 2023 to December 2022), due to cost corrections for some raw materials, which helped to offset increases in labour costs due to the shortage of qualified workers (+4.3% in 2023 compared to average labour costs in 2022, or +5.4% when comparing labour costs in December 2023 to December 2022), as Spain faces a clearcut scarcity of zoned, ready-to-build land (*source: Ministry of Transport, Mobility and Urban Agenda*).

TOTAL NEW BUILD HOUSING TRANSACTIONS VERSUS WORK COMPLETION CERTIFICATES, EXCLUDING SELF-DEVELOPMENT

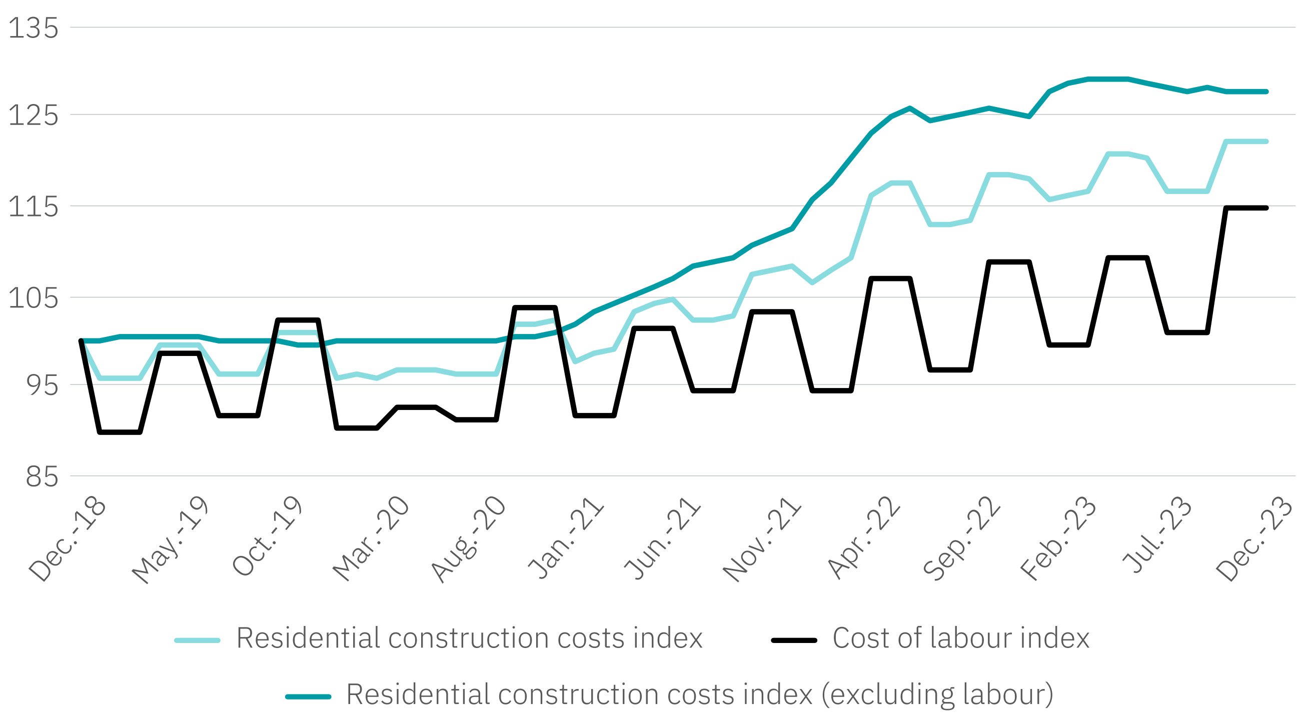
Thousand units



Source: Spanish Ministry of Transport, Mobility and Urban Agenda

TREND IN THE CONSTRUCTION COSTS INDEX

(Rebased on the 3 indices, December 2018 = 100)

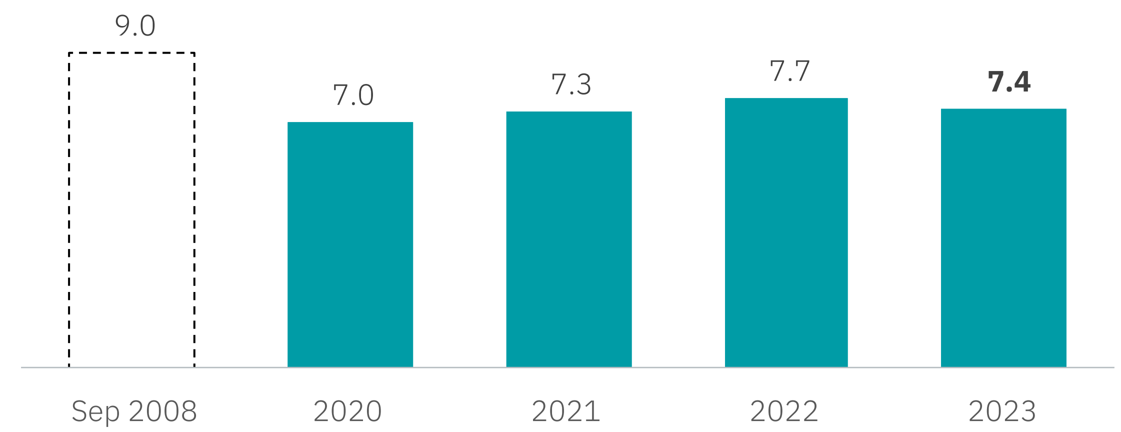


Source: Spanish Ministry of Transport, Mobility and Urban Agenda

Despite the growth in house prices in Spain, the **cost of housing relative to gross household income decreased from 7.68 years in December 2022 to 7.27 years in December 2023**, reflecting growth in pay, in turn driven by the increases in the minimum wage and inflation-related wage adjustments (*source: Bank of Spain*). However, factoring in mortgage costs, the household financial burden of purchasing a home increased by over two percentage points in 2023, when **Spanish households earmarked 37.8% of their wages to servicing their mortgages (December 2023),** a percentage that nevertheless remains well below the record of 54.6% marked in 2008, when the property bubble in Spain burst (*source: Bank of Spain*).

HOUSING AFFORDABILITY BASED ON GROSS DISPOSABLE INCOME FOR THE DATES REFERRED TO HERE

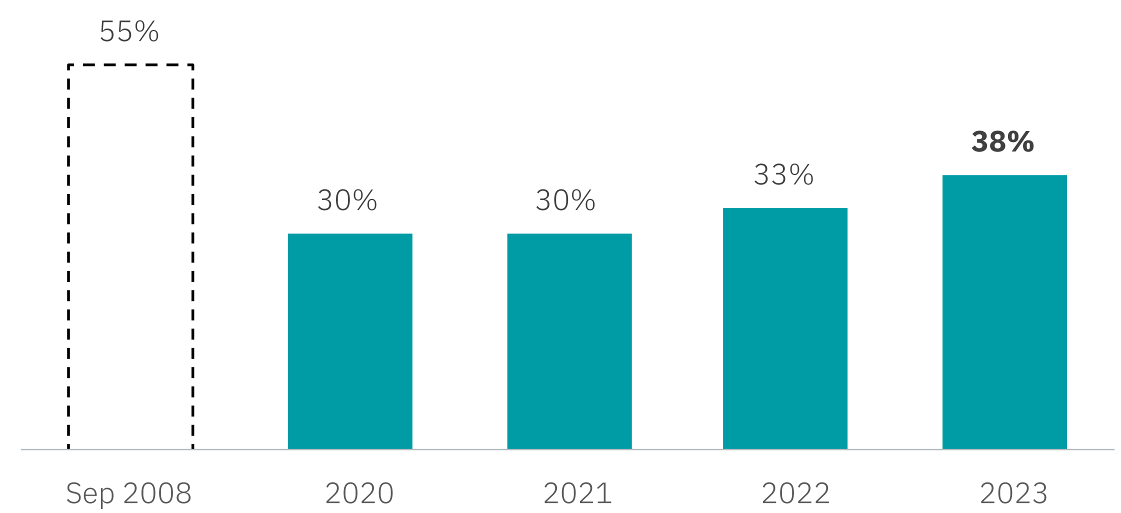
Number of years



Source: Bank of Spain

HOUSING AFFORDABILITY OF SPANISH HOUSEHOLDS FOR THE DATES REFERRED TO HERE

Percentage of gross disposable income

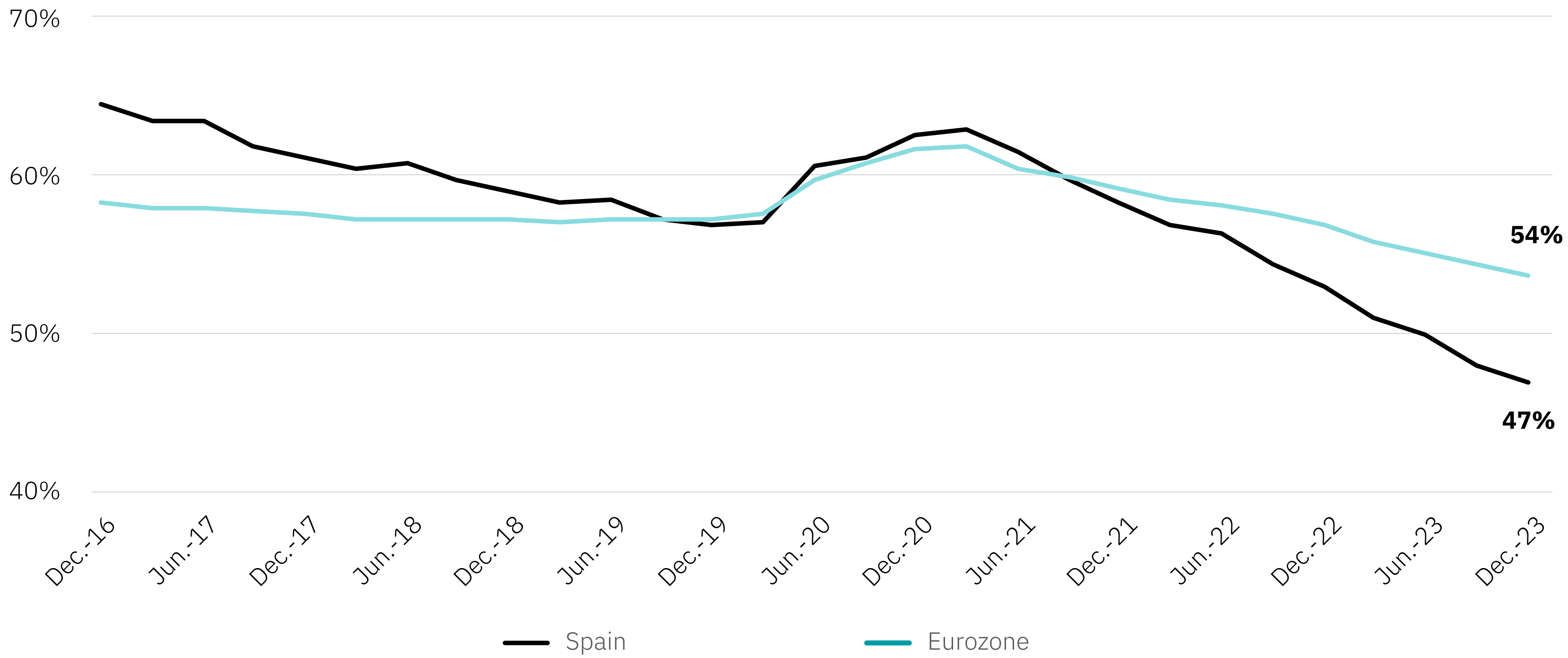


Source: Bank of Spain

Despite the increase in the financial burden, Spain's households are in better financial health, as is evident in their ability to set aside considerable amounts of savings (11.7% in 2023) (source: INE), and in their enhanced credit profile. **Household borrowings over GDP have fallen below 50%, ending 2023 at 46.9%** (down 17.6 percentage points from December 2016 and by 5.4 percentage points from December 2022) (*source: Bank of Spain*), which is below the European average (53.6% at year-end 2023) (source: Eurostat). Moreover, the ratio of non-performing loans taken on to purchase or refurbish a home remains at reasonable levels, specifically below 3% (*source: Bank of Spain*).

HOUSEHOLD DEBT VS GDP

Percentage



Source: Bank of Spain and Eurostat

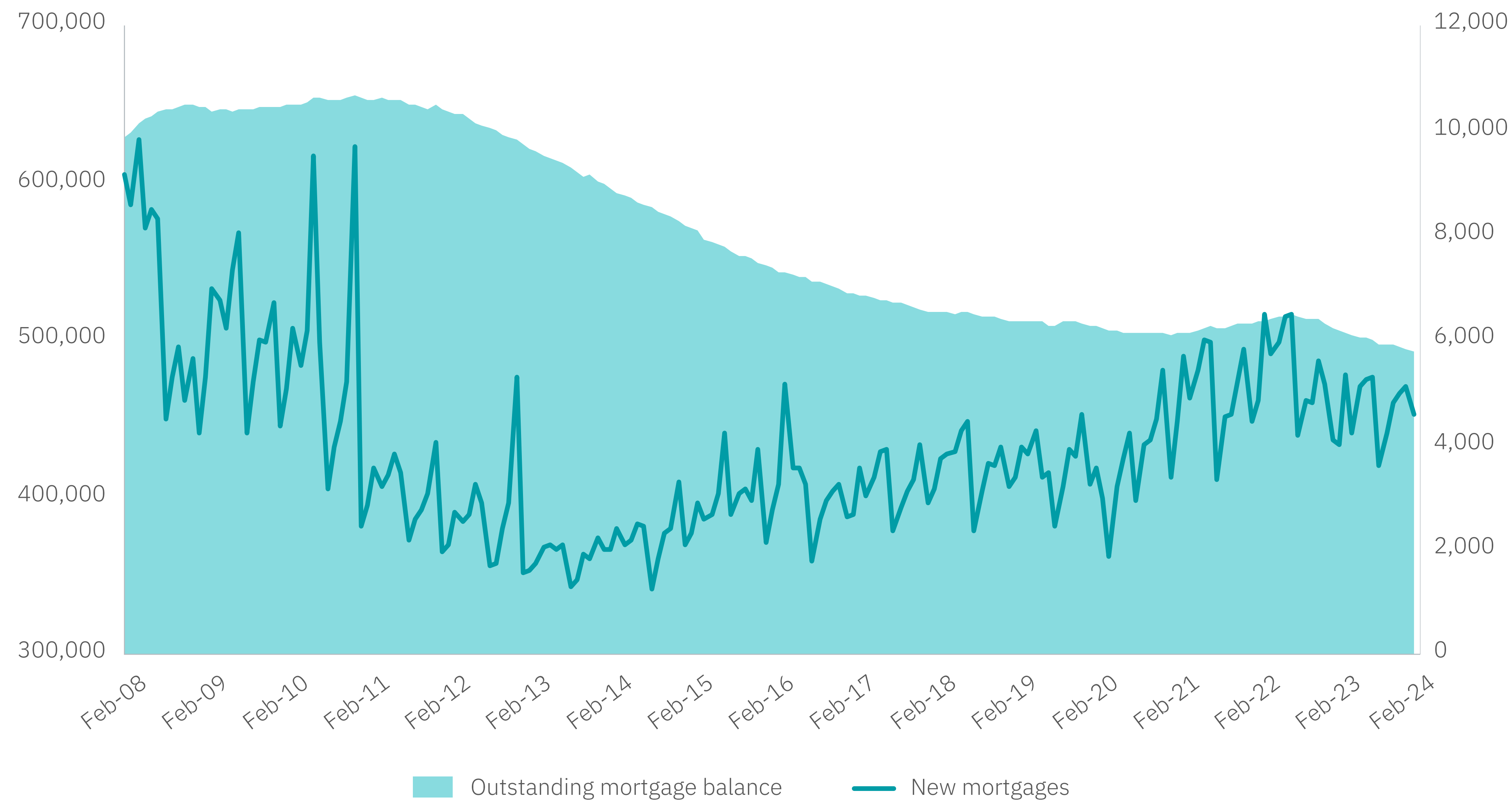
Spanish households put 37.8% of their income towards their mortgage payment, well below 2008 levels when the real estate bubble burst, and enjoy greater financial stability, with borrowings over GDP under 50%

Household deleveraging, the contraction in mortgage activity (the number of new mortgages declined by 17.8% in 2023 compared to 2022 (*source: INE*) and greater discipline on the part of the Spanish banks in approving mortgages (the loan-to-value (LTV) ratio averaged 63% in 2023 and the share of mortgages with a LTV ratio of over 80% was less than 7% of all new loans arranged last year) implied the first decrease in the balance of outstanding mortgage debt in Spain since June 2006, to under €500 billion at year-end (*source: Bank of Spain*).

This situation is pushing the mortgage product market to become more competitive. As a result, despite reversal of the upward trend in fixed-rate mortgages (58.2%, 54.2% and 65.8% of all new mortgages arranged in January 2024, December 2023 and December 2022, respectively) and the increase in the average rate of interest applied to new mortgages (3.46%, 3.32% and 2.66% on average for new mortgages arranged in January 2024, December 2023 and December 2022, respectively) (*source: INE*) and in the average rate on mortgages of more than three years for the purchase of homes at market prices (3.99%, 4.22% and 3.12% in February 2024, December 2023 and December 2022, respectively) (*source: Bank of Spain*), the current borrowing terms remain attractive considering the trend in 12-month Euribor, which stood at 3.72% as of March 2024, compared to 3.02% as of December 2022 (*source: Bank of Spain*).

SPANISH MORTGAGE MARKET

€m



Source: Bank of Spain

Business performance

Despite the prevailing macroeconomic and geopolitical uncertainty, AEDAS Homes delivered a strong operating performance in FY 2023/24, as borne out by a solid set of earnings results. The company confirmed its leadership of the Spanish residential development market while upholding its commitment to generating sustainable value for shareholders. The Company's revenue topped the €1.1 billion mark for the first time and it pre-sold 2,500+ BTS and BTR units for over €960 million.

Guiomar (Bormujos)

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Visibility around guidance

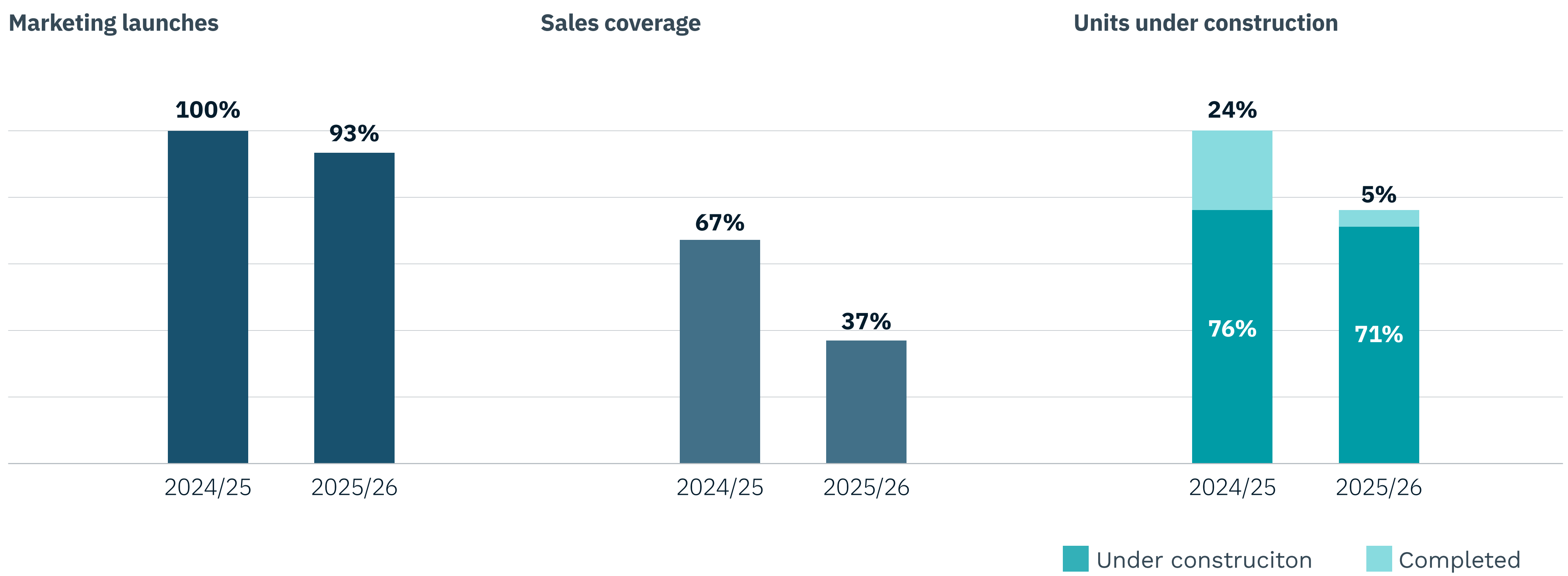
To provide visibility around our ability to deliver our targets for the coming years, here we outline the levels of coverage, at the group level, measured in terms of market launches, pre-sales and construction progress at 31 March 2024 relative to the deliveries forecast for the next two financial years.

In terms of developments on the market, the numbers point to almost full target coverage: 100% for FY 2024/25 and 93% for FY 2025/26.

As for sales, the level of coverage implied by our pre-sales relative to the targets for the next two years remains healthy and in line with the level reported a year ago: 67% of the delivery target for FY 2024/25 and 37% of the target for FY 2025/26.

Lastly, construction work on the developments slated for delivery in the next two financial years is progressing satisfactorily. Specifically, 76% of the units scheduled for FY 2024/25 are under construction, with the remaining 24% already complete, and 71% of the units targeted for delivery in FY 2025/26 have broken ground, with 5% already complete.

VISIBILITY AROUND TARGETS: ON THE MARKET, SALES AND CONSTRUCTION PROGRESS*



(*) The coverage ratios reported for FY 2023/24 include the units 100%-owned by AEDAS Homes and the units transferred to the vehicles set up during the year for co-investment purposes during the period.

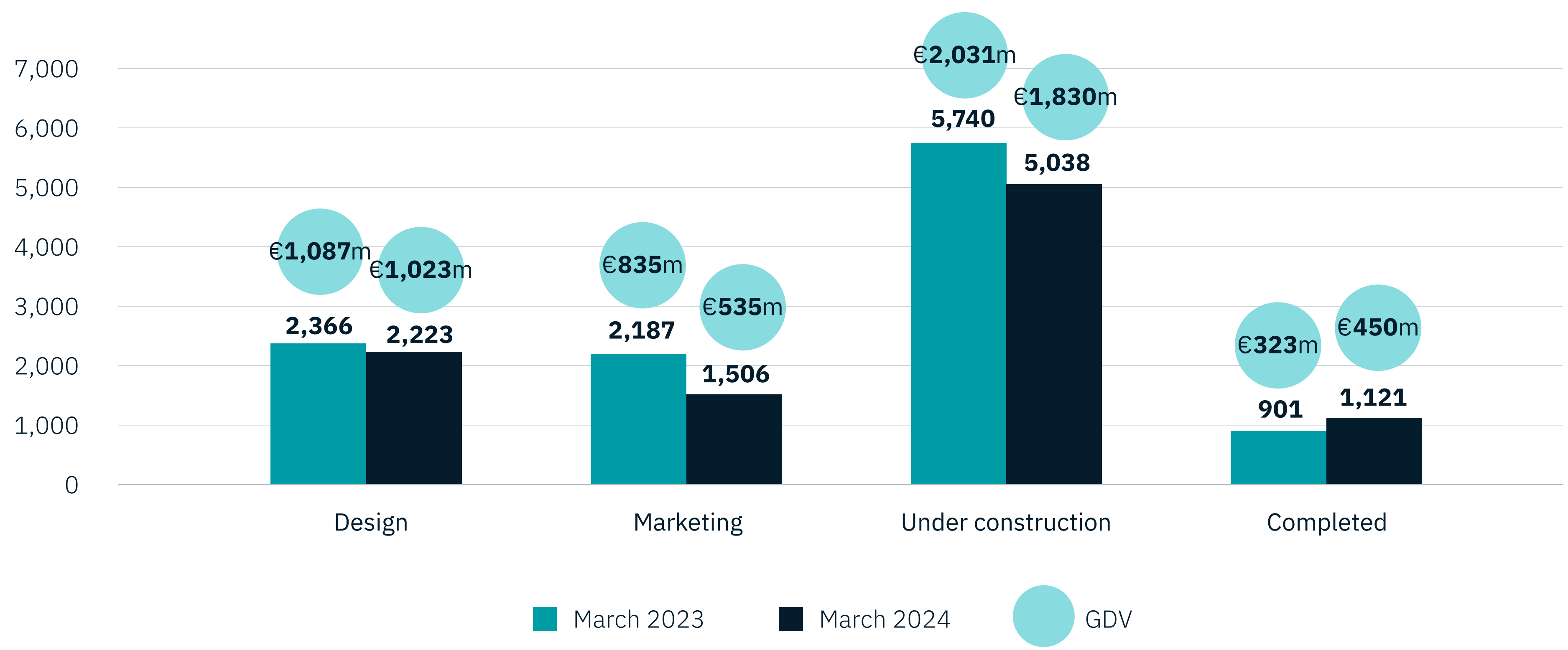
Active units

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

At 31 March 2024, AEDAS Homes had a total of 9,888 active units (with a total estimated GDV of €3.84 billion); of these units, 22% were at the design stage, 15% were in the marketing phase, 51% were under construction, and 11% were completed (all of which with First Occupancy Permit).

ACTIVE UNITS BY STAGE OF DEVELOPMENT

Units and GDV (€m)



Developments put on the market

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

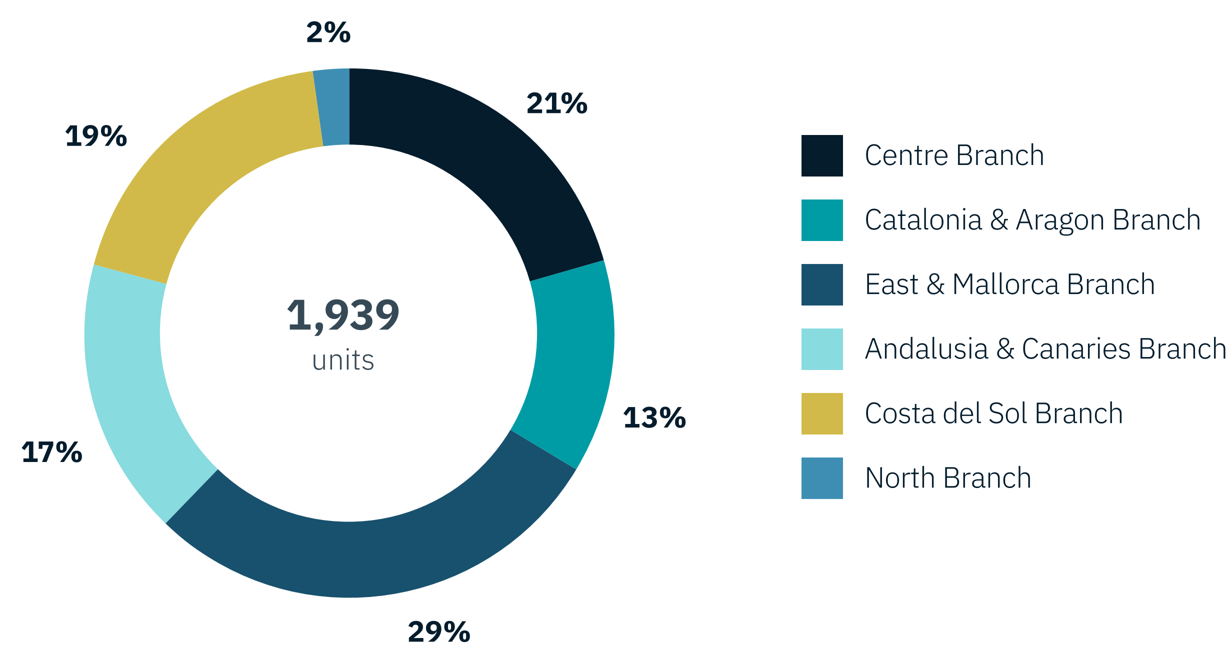
All of the **developments put on the market** at the group level in FY 2023/24 were BTS developments. Specifically, we put **32 new developments (1,900+ new homes)** on the market in FY 2023/24. Although the number of market launches was lower than in prior years, it met the company's original target for FY 2023/24.

At 31 March 2024, the number of **units on the market** stood at **7,574** with a total value, in terms of GDV, of approximately **€2.8 billion**. BTS units accounted for 93% of this total, on sale at an average price of €438,000. The remaining 7% of units on the market were BTR homes with an average sales price of €173,000.

Despite the complex macroeconomic backdrop, **BTS sales metrics remained healthy**. Although more leads were needed (+13% year-on-year) to generate the same number of face-to-face visits, those visits were more productive than in FY 2022/23, as the rate of conversion of those in-person visits to pre-sale agreements increased by 0.5 percentage points in FY 2023/24, translating into growth of 6% in gross sales volumes.

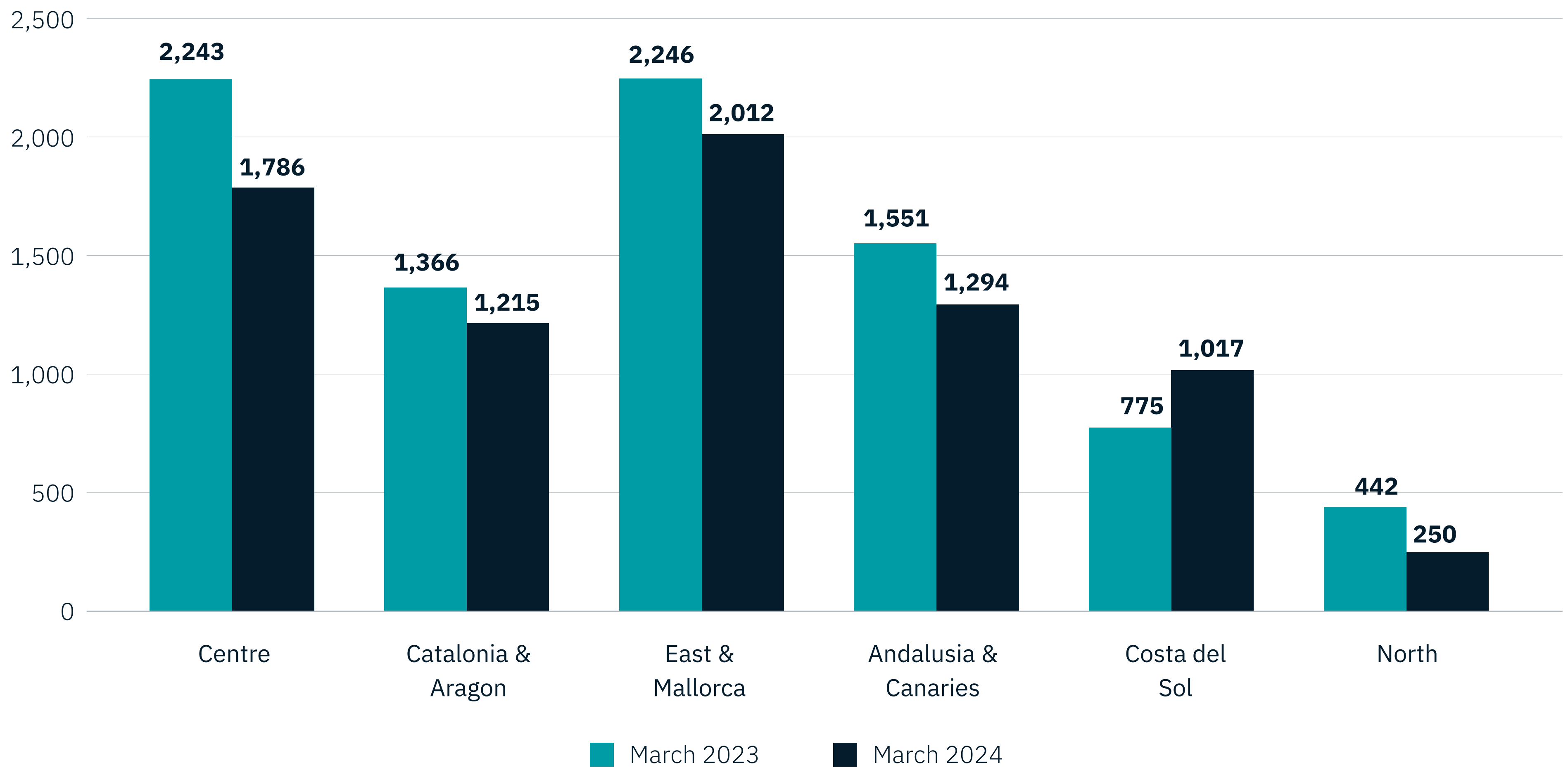
UNITS PUT ON THE MARKET IN FY 2023/24, BY REGIONAL BRANCH

In units



UNITS ON THE MARKET AT YEAR-END, BY REGIONAL BRANCH*

In units



(*) In March 2023, the units on the market in Valladolid were classified within the North Regional Branch. In FY 2023/24, Valladolid was reclassified to the Centre Regional Branch. To make the figures comparable, the 308 units on the market in Valladolid in FY 2022/23 have been reclassified to the Centre Branch.

Our East & Mallorca Regional Branch, followed by our Centre Branch, had the most homes on the market at year end

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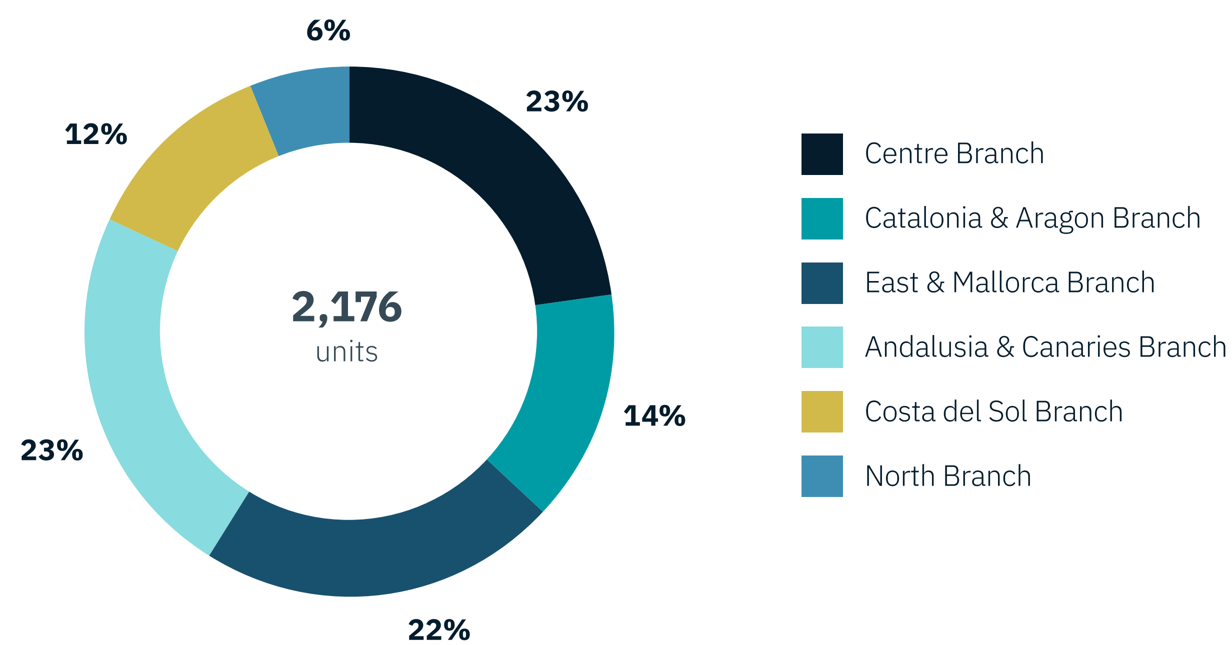
Sales

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

AEDAS Homes' strong product positioning, coupled with its successful sales strategy, translated into **2,503 BTS and BTR pre-sales** in FY 2023/24 (+15% year-on-year) for a combined amount of over **€960 million** (+16% year-on-year), which translates into an average unit sales price of **€384,000** (slightly above the €382,000 average unit sales price reported in FY 2022/23).

Pre-sales were dominated by **BTS units: 2,176 pre-sales** at an average unit price of **€415,000 euros** (FY 2022/23: 2,143 BTS units at an average unit sale price of €385,000). Meanwhile, despite the low volume of **BTR** transactions completed in the Spanish residential market during the financial year, AEDAS Homes notably sold two BTR developments encompassing a total of 327 homes with an aggregate sales value of **€57 million.**

BTS PRE-SALES, BY REGIONAL BRANCH
In units

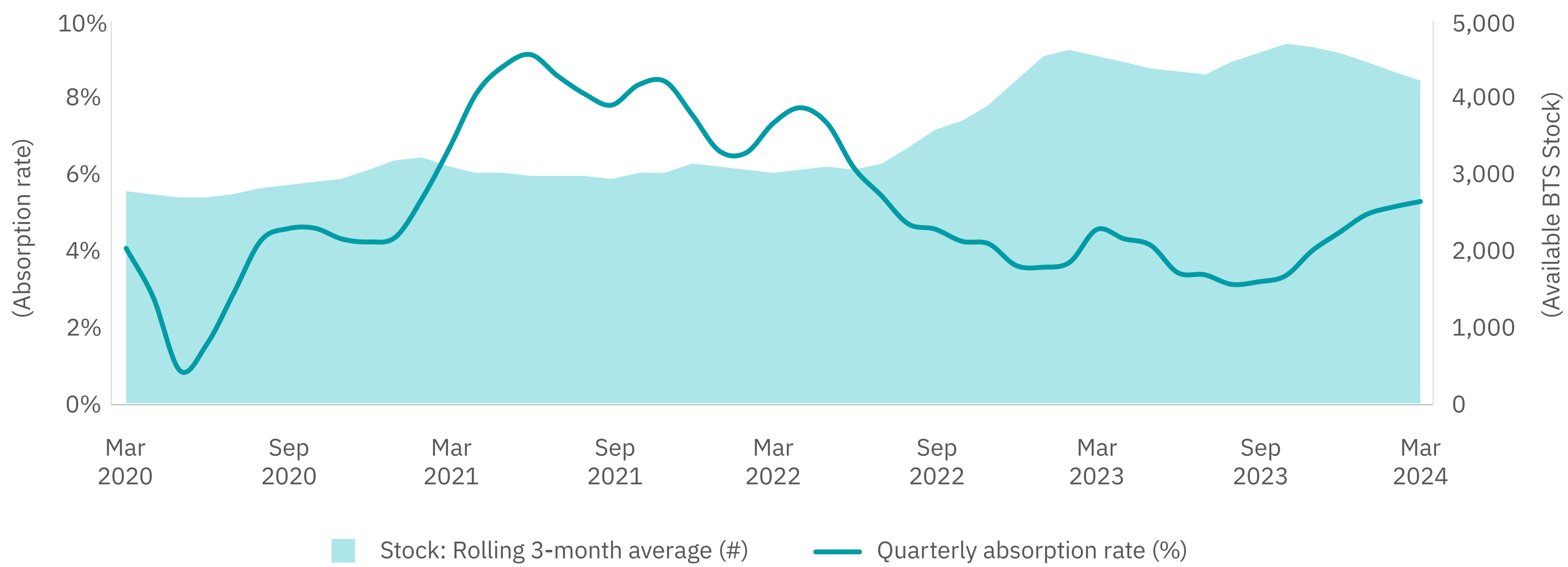


Elsewhere, **demand** remained **resilient** across all of AEDAS Homes' regional markets. Although FY 2023/24 got underway with **absorption rates** of around 3.5%, that rate improved in the second half with the rebound in sales (nearly 60% of all BTS pre-sales took place between October 2023 and March 2024), **rising above 5%** by the last quarter. Our performance was particularly strong in the Centre Regional Branch, where sales improved by 32% compared to FY 2022/23, and in Andalusia & Canaries, where, in addition to stronger average sales growth, the average sales price increased by over 50% year-on-year, driven mainly by sales in the Canary Islands.

Note, lastly, that as in prior years, sales in developments targeting customers seeking their **primary residence** accounted for the **bulk of BTS pre-sales**, 72% of the total, and were concentrated among **customers** with **solid credit profiles**, borne out by the fact that customers to whom the company handed over homes in FY 2023/24 needed 5.4 years of their annual household pre-tax earnings to cover the price they paid (compared to an average of 7.4 years in Spain in 2023 according to the Bank of Spain), with just 38% of them needing to borrow an amount equivalent to 80% of the value of their new homes. Nevertheless, sales to **international customers** increased significantly, accounting for 35% of BTS pre-sales in FY 2023/24 (compared to 29% of total pre-sales in FY 2022/23).

BTS SALES ABSORPTION RATIO

Quarterly rolling average



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Deliveries

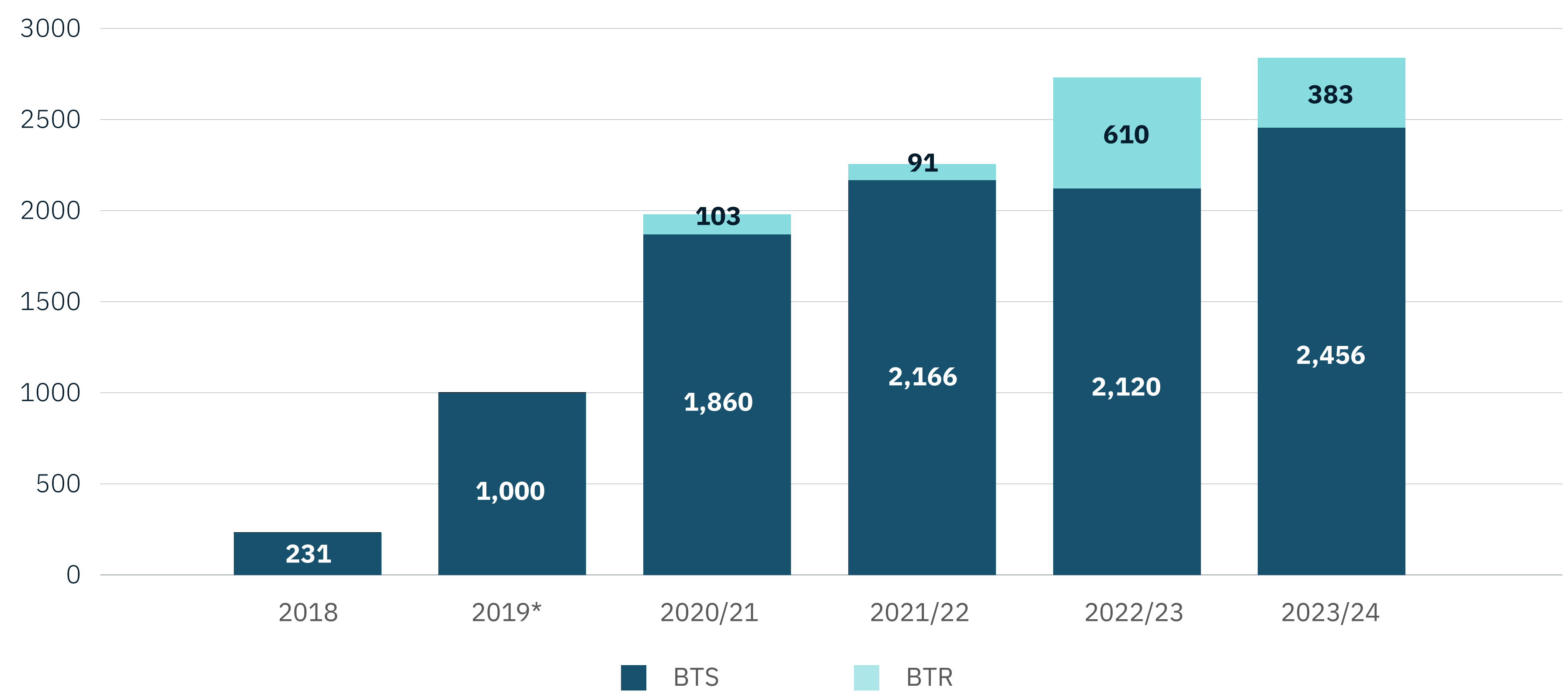
Over the course of FY 2023/24, AEDAS Homes delivered **2,839 homes**, compared to 2,730 in FY 2022/23, generating revenue of **€950 million** (**+7%** from the revenue generated by the homes delivered in FY 2022/23). This result once again demonstrates the team's production and execution capabilities and marks a **new milestone** for the company.

Of the total, **2,456 units** were delivered to **individual customers** (FY 2022/23: 2,120 units) at an average unit sales price of €358,000 (slightly below the €364,000 euros per unit delivered in FY 2022/23, shaped by the product mix) and **383** BTR units were delivered to **institutional customers** (610 units in FY 2022/23) at an average unit sales price of €184,000 (flat year-on-year).

In addition to these deliveries, the Company's **Real Estate Services** line delivered 99 units. Since that division was set up in FY 2021/22, it has delivered **1,000+ units**. Note that the profit attributable to those deliveries is not accounted for within revenue from the sale of homes but rather within revenue from services and within its share of its associates' profits in the case of deliveries made through the vehicles in which the Company co-invests, taking minority interests, alongside third-party investors.

Trend in the number of units delivered (excluding deliveries by the Real Estate Services division)

In units



(*) In FY 2019, the figure provided includes those units delivered in the abbreviated financial year elapsing between January and March 2020.

Order Book

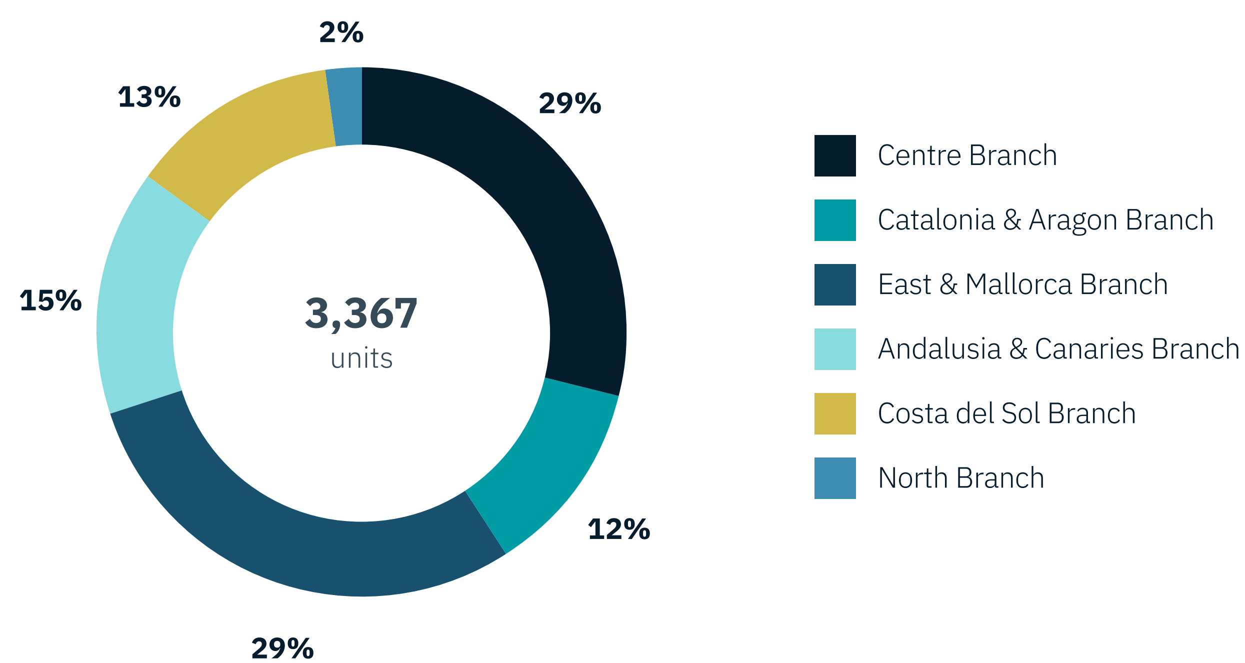
By 31 March 2024, the company had **pre-sold an accumulated 14,400+ units** for **€4.92 billion** since its creation. Of that total, 11,000+ homes, valued at **€3.68 billion**, have been **delivered**. As a result, the **Order Book** at 31 March 2024 stood at **3,367 units** (3,703 units at 31 March 2023) worth **€1.24 billion** (€1.23 billion at 31 March 2023), 71% of which are under a sale agreement and 27% of which constitute pre-sales. Nearly 60% of the Order Book at 31 March 2024 was concentrated in the Centre and East & Mallorca Regional Branches.

By product type, **85%** of the pre-sales (total sale value: €1.15 billion) were generated by the **BTS** segment, and the remaining 15% (sale value of €89 million) were in the BTR segment.

Note, lastly, that the number of sale agreements terminated was flat at 48 in all of FY 2023/24 (40 on average between FY 2020/21 and FY 2022/23).

ORDER BOOK, BY REGIONAL BRANCH

In units



Building permits

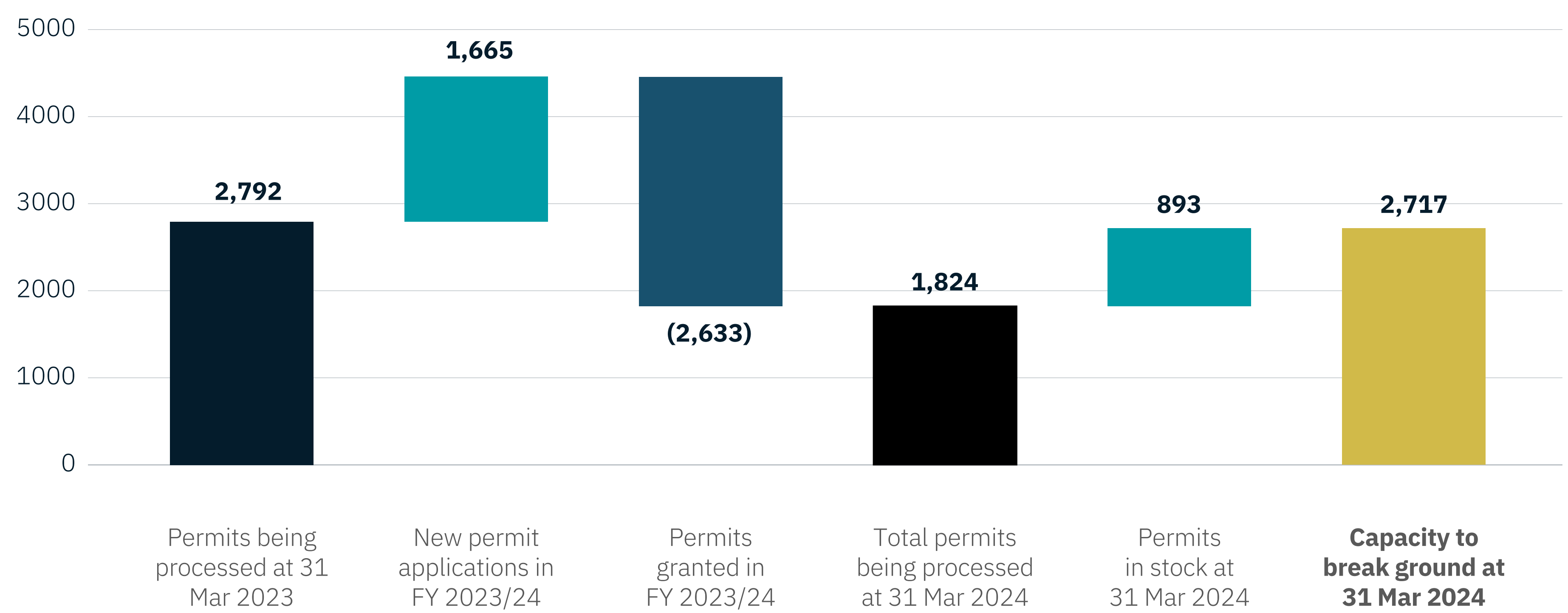
Building permits are awarded by the municipal authorities.

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

In FY 2023/24, the company applied for **new building permits** for the development of **1,665 homes** with a total estimated GDV of €652 million. 75% of these homes are concentrated in three Regional Branches: East & Mallorca, Andalusia & Canaries and Costa del Sol. Although this volume of building permits implies a year-on-year decrease of 33%, it is only 16% below the company's initial target. Nevertheless, considering the number of permits already granted for which construction has yet to begin plus the permits still being processed (see below), the company was in a position

BUILDING PERMITS IN PROCESS AND BUILDING PERMITS HELD AT 31 MARCH 2024

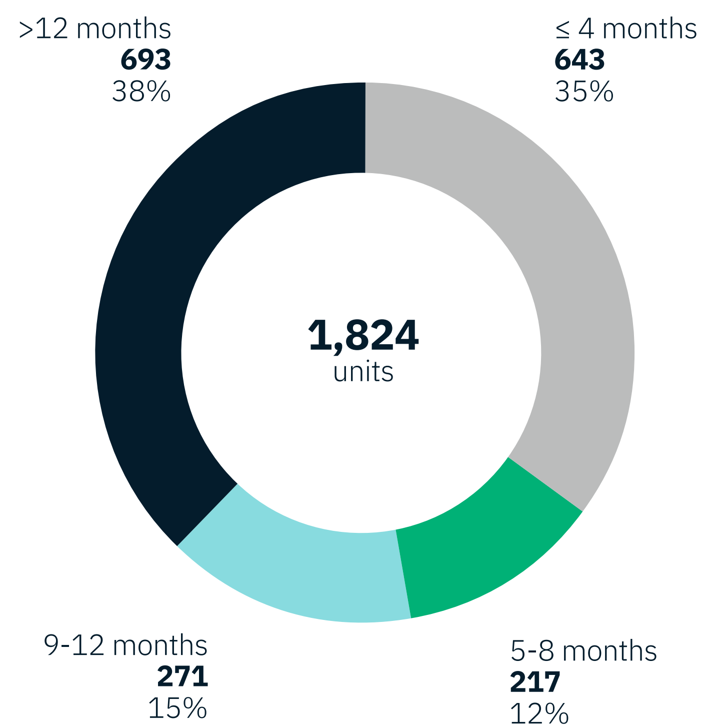
In units



So far, AEDAS Homes has secured permits to develop an accumulated 18,000+ units

BUILDING PERMIT REQUEST STATUS AT 31 MARCH 2024

In units and percentage



to break ground on 2,700+ units across 58 developments with a total estimated GDV of €879 million at 31 March 2024.

In FY 2023/24, the company obtained **building permits** for a total of **2,633 units** (58% of which are located in the Centre and East & Mallorca Regional branches, with a combined estimated GDV of €973 million), a year-on-year decrease of 19%.

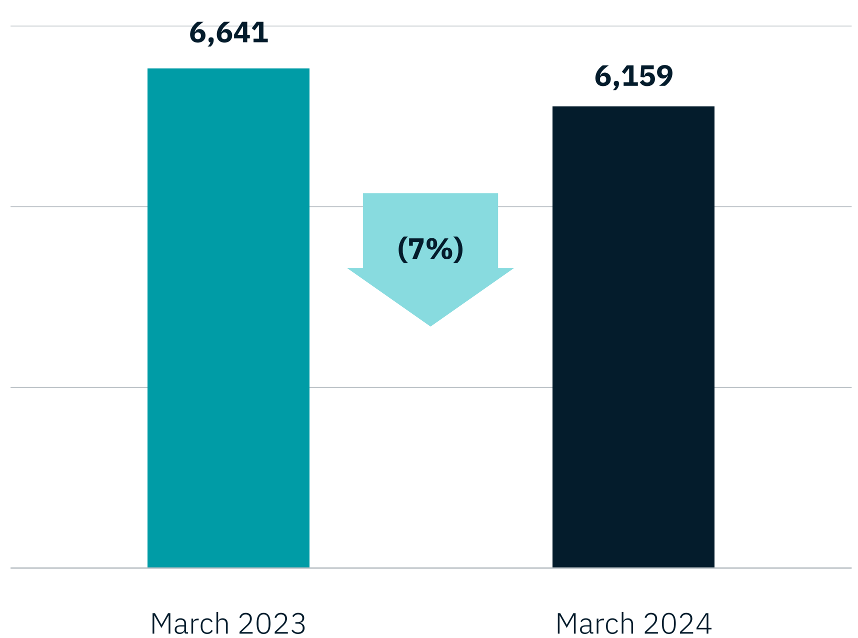
That means that the company has so far obtained building permits for the development of 18,088 accumulated units in total. At 31 March 2024, the company had **permit applications in process** for another 32 projects (**1,824 units**) with a total estimated GDV of €621 million, of which 12 projects (693 units) were already 12+ months into the permitting process.

Construction

In FY 2023/24, the company broke ground on 42 developments **with 2,357 units** (of which, 92% were BTS developments with a total estimated GDV of €893 million) and obtained **Work Completion Certificates** for **3,059 homes**.

At 31 March 2024, the company had a total of **5,038 units under construction** (with an estimated total revenue potential of €1.83 billion), down 12% from the volume under construction year-on-year. Nevertheless, with **1,121 units completed**, all of which had First Occupancy Certificates, and an estimated total GDV of €450 million, the company had a total of **6,159 units under construction or already completed** at 31 March 2024 (down 7% from 31 March 2023 and 3% lower in terms of GDV), providing **significant visibility** into our ability to **meet the deliveries targeted** for the next two financial years.

UNITS UNDER CONSTRUCTION AND UNITS COMPLETED AT YEAR-END
In units



AEDAS Homes had 5,000+ units under construction at year end, with an estimated revenue potential of €1.83 billion

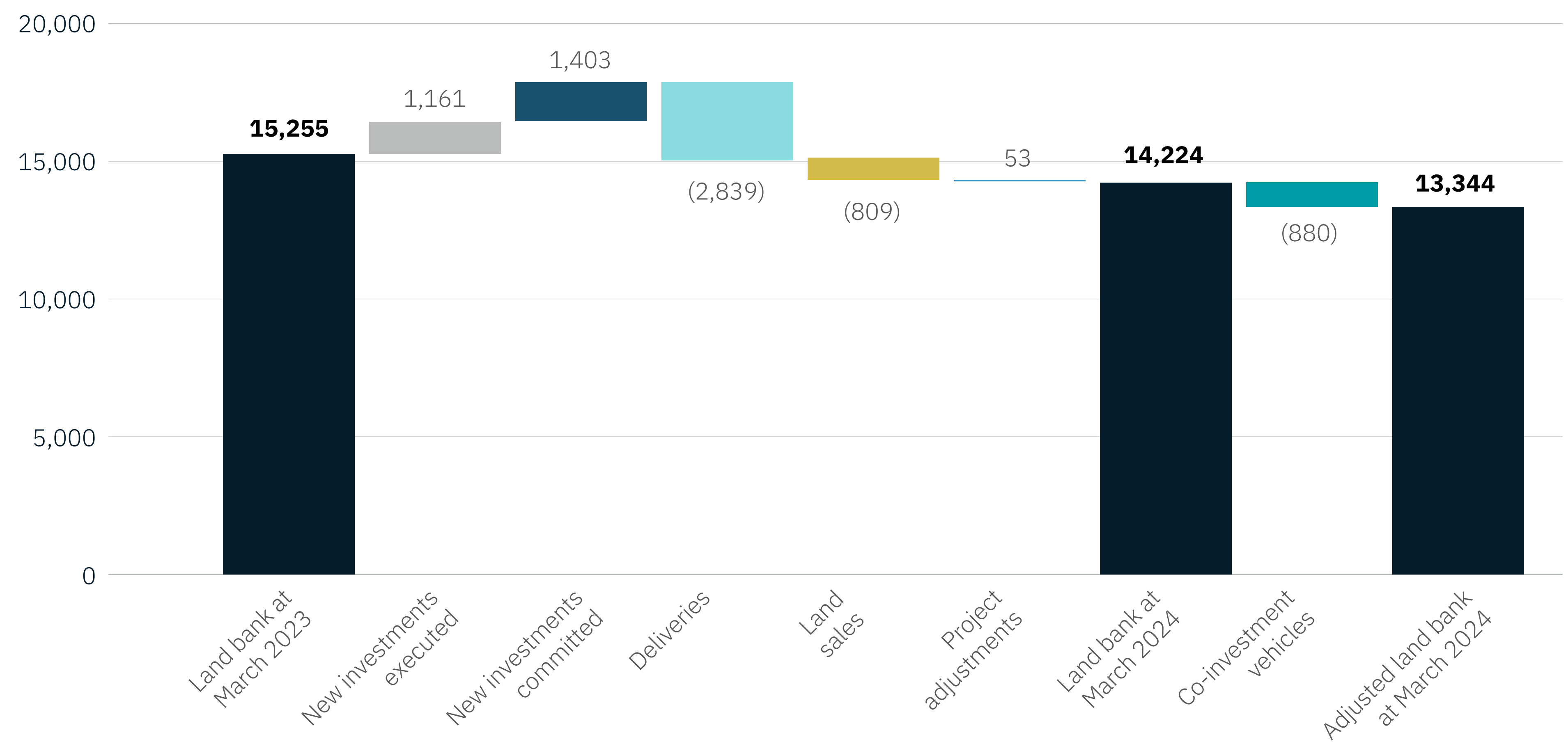
Land investment

FY 2023/24 was marked by dynamic activity in land investment. The company invested or committed over **€220 million** to acquire new land with development capacity of **2,564 units**. Most of those units will be delivered between FY 2026/27 and FY 2028/29 and are expected to **generate over €900 million of revenue.**

Of the total investment figure, which includes the cost of acquiring the land, including the inherent transaction costs and the cost of any permitting steps needed to bring all of the sites to ready-to-build (RTB) status, **49%** is located in the **Madrid** region (38% in terms of the number of units to be built); almost **50%** is **ready-to-build land; 63%** are **investment commitments** expected to materialise in FY 2024/25; and **35%** of the new investments feature some form of **payment deferral** scheme or swap structure, which imply **more efficient use** of the company's **resources**.

TREND IN THE LAND BANK

In units



All of the new investments target a customer-segment with **resilient demand**: they are expected to deliver an average sales price of around €360,000 euros and average profit margins of 20%+, in keeping with the company's investment policy.

Framed by its **non-core asset turnover strategy**, the company agreed the **sale** of 12 assets in FY 2023/24, on which it had originally planned to develop 865 units, for €61 million in total (net margin of around 14%). Two of those sales had yet to close at 31 March 2024.

Lastly, in FY 2023/24, the company closed **two co-investment transactions** with third-party investors for the joint development of BTS projects. These two transactions gave rise to the sale of **880 units** from the land bank, which were transferred to the two new vehicles set up in which AEDAS Homes has minority shareholdings. The company is also providing end-to-end development services for all the projects in these new vehicles.

The company closed two co-investment transactions with third parties to jointly develop BTS projects, selling 880 units from the land bank to the two new vehicles in which AEDAS Homes has a minority stake and provides end-to-end development services

Valdemoro BTR (Valdemoro)

Co-investment strategy

Our co-investment strategy, launched in FY 2021/22 to develop residential properties alongside **private institutional investors** and **family offices**, has three **goals**:
(i) diversifying our sources of capital
(ii) using our capital more efficiently, and
(iii) developing new residential solutions through co-investment structures.

AEDAS Homes plays a **dual role** in the resulting joint ventures. It takes a **non-controlling shareholding**, usually of around 20% to 30% (but on occasion as high as 49.9%), in the joint venture created with the third-party shareholders, and it **provides end-to-end development services** for the JV's residential projects—from the identification of new opportunities to oversight of the design, permitting, sales, construction and project financing processes—in exchange for a stream of fees previously agreed between the parties.

Until this year, the co-investments undertaken by the company were legacy projects inherited as part of the business combination with Áurea. In **FY 2023/24**, however, AEDAS Homes stepped up its efforts to promote these co-investment structures, closing **two agreements** worth close to **€300 million of equity** for the joint pursuit of BTS developments, leveraging sites that originated from the company's land bank, new sites yet to be identified or a combination thereof.

Following closure of these two agreements, in FY 2023/24, the company **transferred a seed portfolio** of land with aggregate development capacity for **880 units** to the joint ventures set up. The main business impacts of these two co-investment transactions are summarised in these tables.

ACTIVE UNITS

Units	Total	Joint ventures	Exc. 100% JVs
Completed product	1,121	-	1,121
Under construction	5,038	(630)	4,408
Marketing	1,506	(126)	1,380
Design	2,223	(124)	2,099
Total	**9,888**	**(880)**	**9,008**

GDV. €m	Total	Joint ventures	Exc. 100% JVs	Total attributable
Completed product	450	-	450	450
Under construction	2,129	(421)	1,708	1,830
Marketing	602	(95)	507	535
Design	1,083	(87)	997	1,023
Total	**4,264**	**(603)**	**3,661**	**3,838**

ORDER BOOK BY CONTRACT STATUS

In units	Total	Joint ventures	Exc. 100% JVs
Reservations	971	(125)	846
Private contracts	2,396	(225)	2,171
Total	**3,367**	**(350)**	**3,017**

ORDER BOOK BREAKDOWN BY REGIONAL BRANCH

In units	Total	Joint ventures	Exc. 100% JVs
Centre	985	(57)	928
Catalonia & Aragon	390	(94)	296
East & Mallorca	972	(109)	863
Andalusia & Canary Islands	502	(61)	441
Costa del Sol	439	(29)	410
North	79	-	79
Total	**3,367**	**(350)**	**3,017**

€m	Total	Joint ventures	Exc. 100% JVs	Total attributable
Centre	314	(38)	276	286
Catalonia & Aragon	147	(31)	116	124
East & Mallorca	316	(37)	279	290
Andalusia & Canary Islands	190	(68)	121	142
Costa del Sol	251	(38)	213	224
North	25	-	25	25
Total	**1,242**	**(212)**	**1,030**	**1,091**

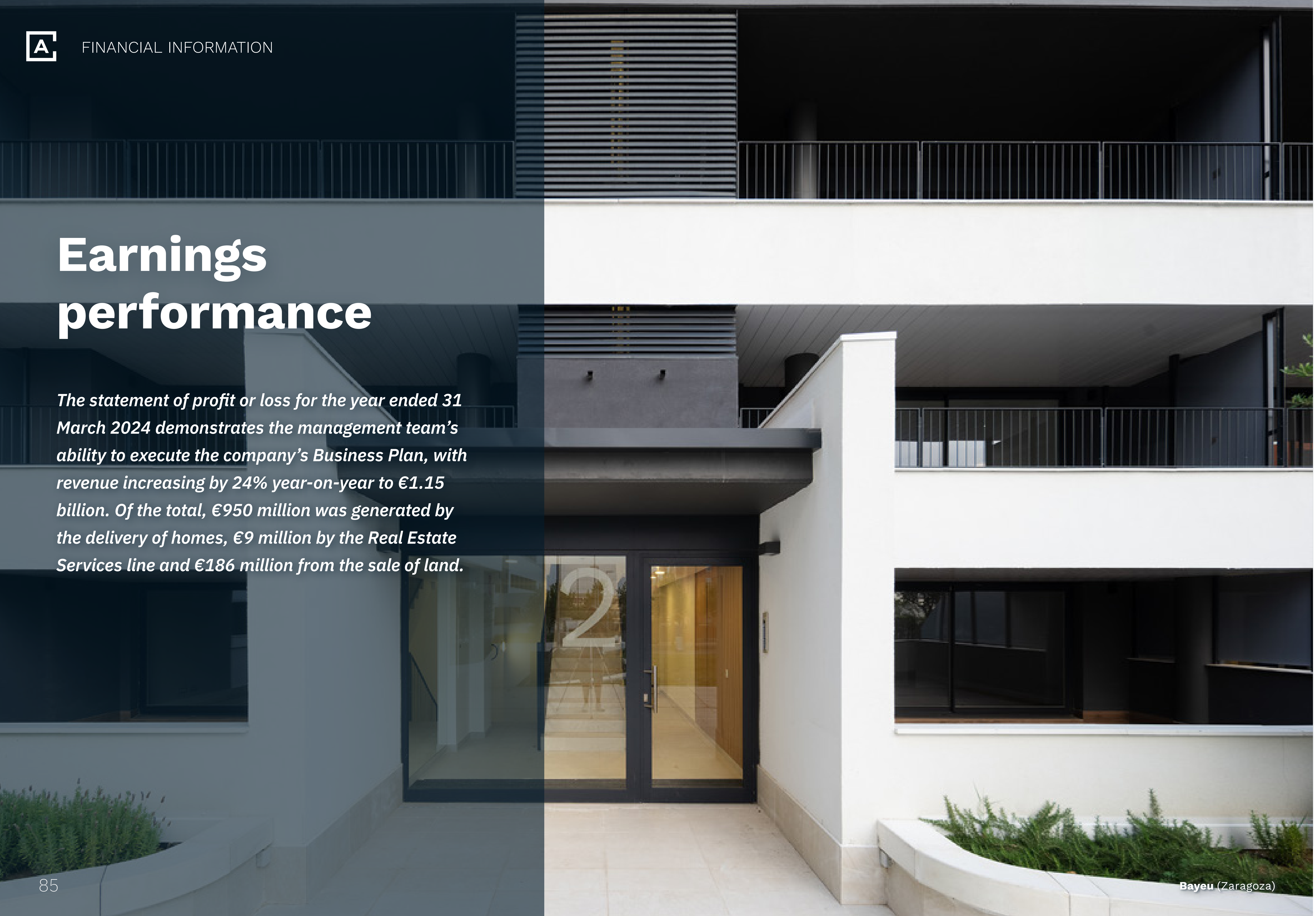
PRE-SALES FY 2023/24

In units	Total	Joint ventures	Exc. 100% JVs
Centre	695	(32)	663
Catalonia & Aragon	304	(63)	241
East & Mallorca	619	(77)	542
Andalusia & Canary Islands	502	(61)	441
Costa del Sol	258	(20)	238
North	125	-	125
Total	**2,503**	**(253)**	**2,250**

€m	Total	Joint ventures	Exc. 100% JVs	Total attributable
Centre	235	(23)	212	218
Catalonia & Aragon	119	(22)	97	103
East & Mallorca	201	(27)	174	182
Andalusia & Canary Islands	192	(68)	123	144
Costa del Sol	167	(24)	143	150
North	46	-	46	46
Total	**960**	**(165)**	**795**	**843**
PMV (thousand €)	*383*	*652*	*353*	*N/A*

Earnings performance

The statement of profit or loss for the year ended 31 March 2024 demonstrates the management team's ability to execute the company's Business Plan, with revenue increasing by 24% year-on-year to €1.15 billion. Of the total, €950 million was generated by the delivery of homes, €9 million by the Real Estate Services line and €186 million from the sale of land.



Bayeu (Zaragoza)

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During the year ended 31 March 2024, AEDAS Homes **recognised** total **revenue** of **€1.15 billion** (+24.4% year-on-year) and a total **gross profit** of **€256 million** (+6.3% year-on-year). Below we provide an account of our earnings performance by major business line.

AEDAS Homes generated €1.15 billion of revenue in FY 2023/24, up 24% year-on-year

Mara Views (Alicante)

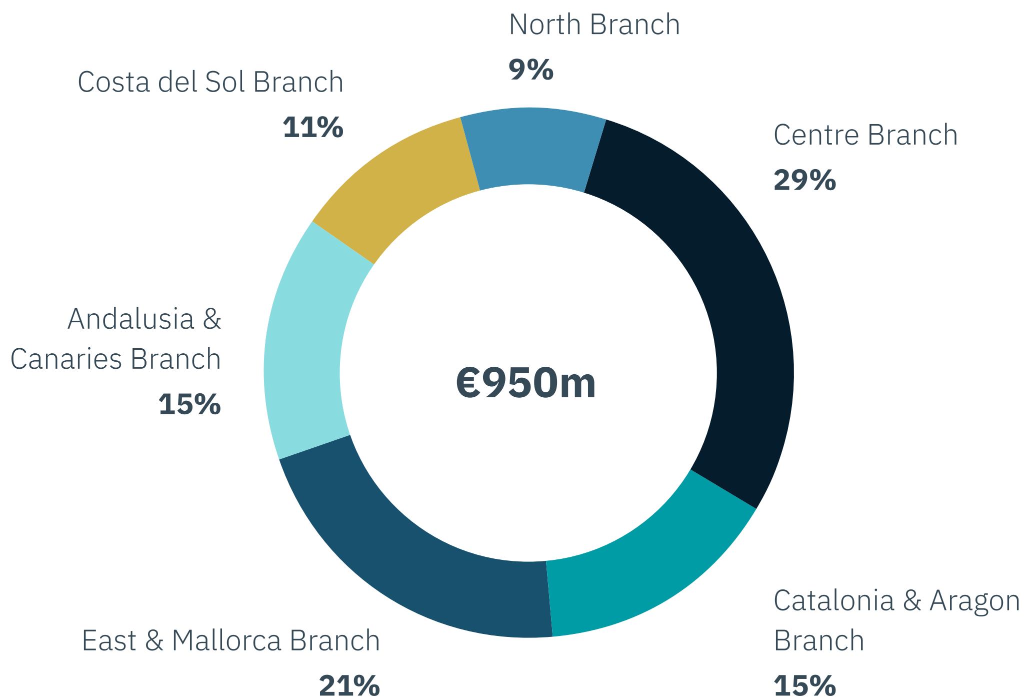
Residential development

In FY 2023/24, AEDAS Homes delivered a total of **2,839 homes** to customers, compared to 2,730 in FY 2022/23 (excluding the homes delivered by the Real Estate Services line), generating revenue of **€950 million** (**+7.3%** year-on-year). This performance demonstrates AEDAS Homes' production and execution capabilities and marks a new milestone for the company.

Of the total units delivered, **2,456 units** were delivered to **individual customers** (2,120 units in FY 2022/23), generating revenue of **€879 million** (**+13.8%** year-on-year), with the remaining **383 units** delivered to **institutional customers** (610 units in FY 2022/23), accounting for a further €71 million of revenue (down 37.0% year-on-year).

REVENUE BREAKDOWN BY REGIONAL BRANCH

Percentage



The residential development business generated a **gross profit** of **€223 million**, equivalent to a **gross margin** of **23.4%.**

Breaking it down by product type, we can observe the following:

- **BTS product:** the gross margin decreased from 27.8% to **24.3%,** shaped mainly by:
  - A shift in the **product mix**; in FY 2022/23, 21 of the developments delivered contributed 63% of this business line's revenue and 66% of its gross profit that year; those developments presented a gross development margin of 29% (excluding them, the gross development margin would have been 25%);
  - Higher **finance costs** due to the increase in benchmark interest rates; and
  - Higher **construction costs**, as construction of the units delivered in FY 2023/24 largely began when construction costs were at their highest, primarily as a result of the surge in energy costs.
- **BTR product:** the gross margin decreased from 19.1% to **13.1%.** This margin shrinkage reflects the fact that two out of the three BTR developments delivered generated gross margins in the order of 9% or 10%. Note, however, that one of these developments included a reassessment of the underlying value of the land when purchased from Aurea Homes. Had this adjustment not occurred, the BTR segment would have reported a gross development margin of close to 15%.

Real Estate Services

To complement its residential development business, since acquiring Áurea Homes in July 2021, AEDAS Homes has been actively pursuing **co-investment** opportunities and the provision of **end-to-end, value-added real estate services** to institutional customers and family offices looking to invest in real estate development by leveraging the experience, market knowledge and execution capabilities of an industrial partner of the calibre of AEDAS Homes.

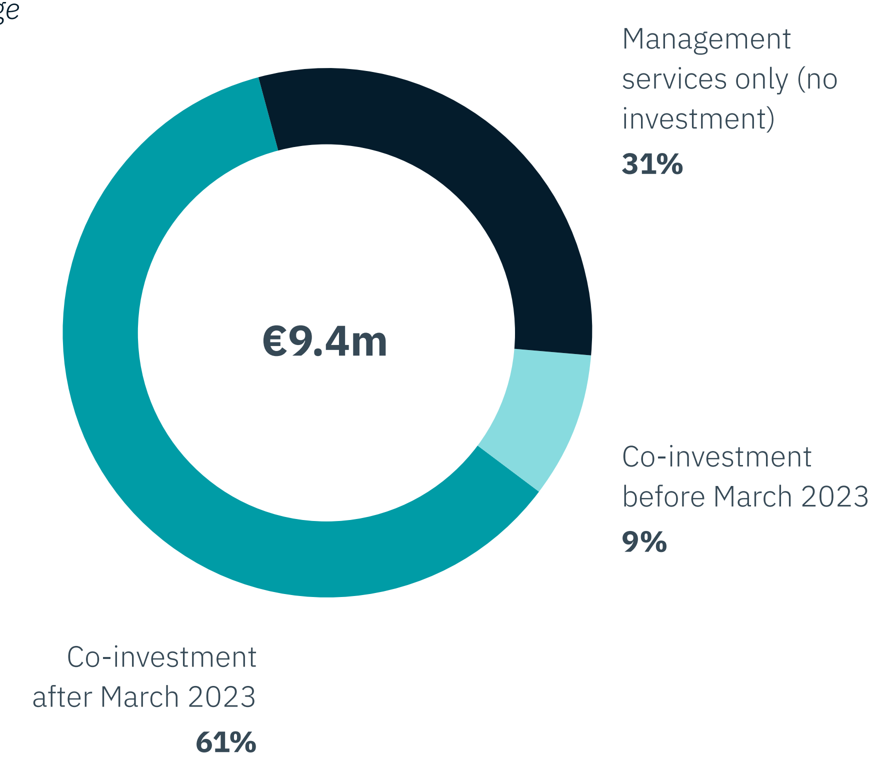
FY 2023/24, our Real Estate Services line generated **€9.4 million** in revenue (**+84.9%** year-on-year) from the service fees invoiced. The significant growth in revenue is attributable to the fees invoiced to the new co-investment vehicles arranged during the last quarter of FY 2023/24, which accounted for 61% of the total.

Note that this revenue derives from fees that are associated with achieving project milestones, independent of when the vehicle was arranged. Fees for end-to-end management services are accrued cumulatively, starting at project inception.

85% growth in revenue from Real Estate Services, thanks to new co-investments

REAL ESTATE SERVICES REVENUE BREAKDOWN BY MANAGEMENT ARRANGEMENT

Percentage



The Real Estate Services division generated a **gross profit** of €3 million, implying a **gross margin** of **32.5%.** The gross margin decreased from 59.2% in FY 2022/23 due to **changes** made in FY 2023/24 **in how direct costs are allocated** to this business line. Until now, the team brought over to AEDAS Homes following the acquisition of Áurea Homes carried out these development services.

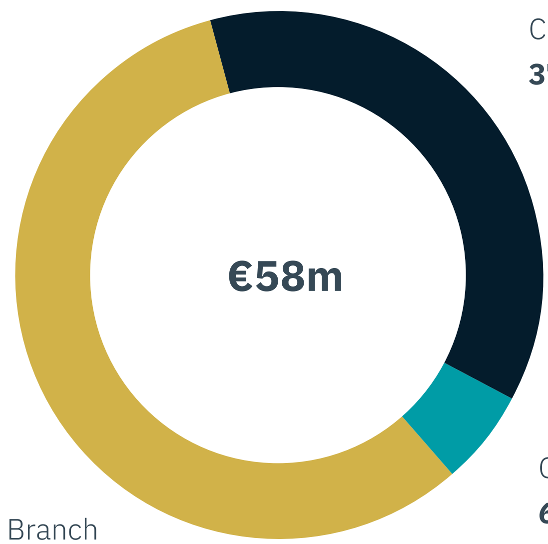
Going forward, however, the idea is to also leverage the capabilities of the company's Regional Branch teams to provide these services. Under the **new criteria**, a portion of overhead will be allocated as direct costs to this business. Specifically, for all new agreements executed, whether in the form of co-investments or management-only services, direct costs will be apportioned to those agreements at 75% of annual revenue, in keeping with customary margins in this line of business.

Land Development and Sale

Framed by its strategy of boosting shareholder returns, the group periodically analyses the status of its land bank in order to identify sites (i) that are not expected to be activated in the short or medium term; (ii) whose sale could generate a gain attractive enough to warrant their disposal; and/or (iii) that are expected be less profitable to develop than the rest of the land bank on account of their location or typology, among other factors. Any sites so identified are potential sale candidates if an interested buyer comes along.

In line with that strategy, in FY 2023/24, the company sold 10 sites for a total of **€58 million**, generating an overall **gross profit** of **€9.5 million**. The resulting gross margin of 16.4% marks a significant improvement from the margin of 8.0% generated by the sites disposed of the year before.

REVENUE FROM SALE OF NON-STRATEGIC LAND, BY REGIONAL BRANCH
Percentage



In addition to the turnover of non-core land, the company **sold 100% of its economic interest in a series of sites** forming part of its land bank to **two co-investment vehicles** set up during FY 2023/24, in which the company has a minority shareholding. The sale of those sites generated additional **revenue** of **€128 million** and additional **gross profit** of **€21 million** (implying a gross margin of 16.7%).

On aggregate, therefore, the **Land Development and Sale** business line generated total **revenue of €186 million** and a **gross profit of €31 million.**

AEDAS Homes closed the sale of 10 non-strategic sites for a total of €58 million, generating an overall gross profit of €9.5 million

Other items of profit or loss

Direct costs amounted to €43.1 million (-4.8% year-on-year), made up of €29.1 million of sales and marketing expenses (-12.2% year-on-year, due mainly to the costs incurred to put the developments sold to the co-investment vehicles on the market, which were passed through to those vehicles, as well as a drop in the number of developments put on the market) and €14.0 million of other development-related operating expenses (an increase of 15.6% year-on-year, driven primarily by an increase in taxes related with developments).

The resulting **net margin** amounted to **€213 million** (+8.8% year-on-year), equivalent to 18.6% of total revenue.

Overhead (excluding the LTIP and the New Incentive) amounted to **€39.4 million**. Although that figure is 4.8% above the FY 2022/23 equivalent, it is in line with the annualised amount of the overhead incurred in the second half of last year.

Note that these figures are totals before factoring in the new criteria for the allocation of a portion of overhead derived from the Real Estate Services line, which will now be reported as direct costs incurred by the latter business line (see analysis above). Discounting the amount allocated to the Real Estate Services business, the impact of which has been recognised in that division's gross margin, total overhead (again excluding the LTIP and New Incentive) falls to €35.1 million, which is down 6.6% year-on-year. However, that **cost saving in terms of overhead** narrows to **1.7%** factoring in the cost of the LTIP and New Incentive, in the amount of €6.5 million, which puts total reported overhead at **€41.6 million**.

EBITDA amounted to **€173 million** (**+5.3%** year-on-year, compared to the adjusted EBITDA figure). The EBITDA margin narrowed by 275 basis points (to 15.1% in FY 2023/24, compared to an adjusted EBITDA margin of 17.9% in FY 2022/23).

The company reported a **net finance cost** of **€24.8 million**, year-on-year growth of 10.9%, mainly reflecting growth in finance costs due to the trend in benchmark interest rates, in addition to greater use of working capital facilities and an increase in unsecured corporate debt.

Lastly, after asset depreciation and amortisation charges, impairment losses and the accrual of €38 million of income tax expense, the company reported **attributable net profit of €109 million** in FY 2023/24, year-on-year growth of 3.6%. That profit translates into a **diluted earnings per share** figure of **€2.53**, up 4.5% from FY 2022/23.

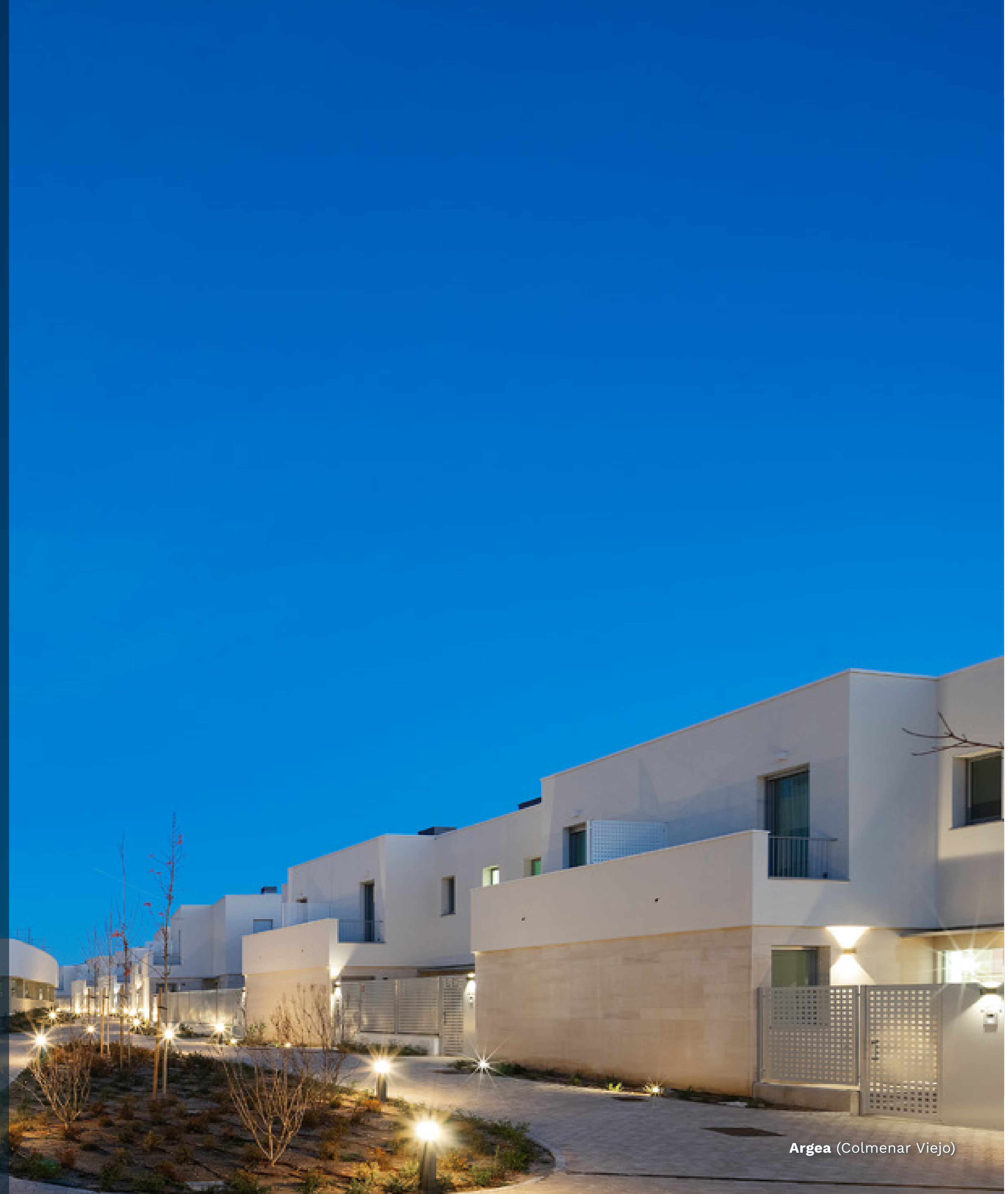
Diluted earnings per share of €2.53, up 4.5% year-on-year

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In thousands of euros	FY 2023/24	FY 2022/23	Δ (€ thousands)	Δ (%)
Revenue derived from housing units delivered	949,541	884,559	64,982	7.30%
Revenue derived from land sales	185,749	30,182	155,567	515.40%
Revenue derived from services	9,378	5,071	4,307	84.90%
TOTAL REVENUE	**1,144,669**	**919,812**	**224,857**	**24.40%**
Cost of goods sold	(881,852)	(676,413)	(205,439)	30.40%
Cost of services	(6,331)	(2,068)	(4,263)	206.10%
GROSS MARGIN	**256,486**	**241,331**	**15,154**	**6.30%**
% Gross margin	22.40%	26.20%	N/A	(383 bps)
Sales and marketing costs	(29,069)	(33,110)	4,041	(12.20%)
Other operating expenses	(13,994)	(12,110)	(1,885)	15.60%
NET MARGIN	**213,423**	**196,112**	**17,311**	**8.80%**
% Net margin	18.60%	21.30%	N/A	(268 bps)
Overheads	(41,620)	(42,335)	715	(1.70%)
Provision for LTIP	1,090	1,734	(644)	(37.10%)
EBITDA	**172,893**	**155,510**	**17,383**	**11.20%**
% EBITDA margin	15.10%	16.90%	N/A	(180 bps)
Strategic land margin	-	8,704	(8,704)	(100.00%)
Adjusted EBITDA	**172,893**	**164,214**	**8,678**	**5.30%**
% Adjusted EBITDA margin	15.10%	17.90%	N/A	(275 bps)
Depreciation and amortisation	(4,745)	(4,762)	17	(0.30%)
Net finance cost	(24,837)	(22,388)	(2,449)	10.90%
Share of profit/(loss) of associates	418	1,549	(1,131)	(73.00%)
Impairment losses	3,161	(1,262)	4,422	N/A
EARNINGS BEFORE TAXES	**146,890**	**137,352**	**9,538**	**6.90%**
Corporate tax	(37,921)	(32,074)	(5,847)	18.20%
NET PROFIT FOR THE YEAR	**108,969**	**105,278**	**3,691**	**3.50%**
% Net profit margin	9.50%	11.40%	N/A	(193 bps)
Profit attributable to non-controlling interests	(88)	(206)	117	(57.0%)
NET PROFIT ATTRIBUTABLE TO PARENT COMPANY	**108,880**	**105,072**	**3,808**	**3.60%**
% Net attributable margin	9.50%	11.40%	N/A	(191 bps)

Balance sheet and cash flows

At 31 March 2024, AEDAS Homes presented a solid balance sheet: 75% of the units classified as inventories were active, and debt levels were healthy, with a net LTV ratio of 16.3%, a net debt-to-EBITDA ratio of 1.8x and total cash of €290 million.



Argea (Colmenar Viejo)

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

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On the asset side

On the asset side of the balance sheet, **inventories** decreased by 8% year-on-year, due mainly to the following factors:

i) A 16% decrease in **land**, to €479 million at 31 March 2024 (equivalent to 32% of total inventories). This decrease is attributable to: (a) the policy of turning over non-strategic land annually, under which the company closed the sale of land with capacity for 809 units with an aggregate carrying amount of €48 million; (b) the sale of several sites, which had not yet broken ground, to the co-investment vehicles in which the company holds a non-controlling interest; and (c) the company's policy of rationalising the amount of capital tied up in land purchases by arranging options and closing purchases close to the development launch dates, so boosting the return on that equity;

ii) A 20% decrease in **developments in progress** to €634 million (equivalent to 43% of total inventories) due mainly to a lower number of construction starts by comparison with FY 2022/23 and the sale of several sites which had already broken ground to two co-investment vehicles in which the company holds non-controlling interests;

iii) A 47% increase in **finished product** to €332 million (made up of 1,121 units with First Occupancy Certificates, of which 45% were already sold at 31 March 2024) (equivalent to 22% of total inventories), with the remainder ready for delivery as soon as they are sold; and

iv) A 79% increase in **prepayments to suppliers** to €42 million (equivalent to 3% of total inventories) due to a higher number of transactions committed to that were pending completion at 31 March 2024.

At 31 March 2024, the **appraisal** carried out by Savills Valoraciones y Tasaciones, S.A.U., valued the company's **portfolio of inventories** (excluding prepayments to suppliers) at **€1.9 billion**. In light of the appraiser's methodology, the key valuation hypotheses are the discount rate and sales prices modelled. As a result, at 31 March 2024, the company recognised inventory impairment losses in its consolidated financial statements of €2 million (€7 million at 31 March 2023), while unrealised gains stood at €451 million (31 March 2023: €492 million).

On the asset side it is also worth highlighting **other non-current assets**, which increased by 226% year-on-year primarily as a result of the company's non-controlling interests in two co-investment vehicles set up during FY 2023/24, and **unrestricted cash** (which includes cash equivalents but excludes restricted cash), which increased by €41 million from 31 March 2023.

Unrestricted cash increased by €41 million in FY 2023/24 to end the year at €240 million

Equity accounts

The company's **equity** decreased by €39 million in FY 2023/24 to €931 million. The change in equity was shaped primarily by (i) the profit attributable to equity holders of the company in FY 2023/24, in the amount of €109 million (+3.6% year-on-year), implying diluted earnings per share of €2.53 (+4.5% year-on-year); and (ii) the company's firm commitment to providing attractive, sustainable shareholder remuneration, which led to the **payout of €147 million of dividends** in total during FY 2023/24.

This dividend was distributed in two payments: the first, in the amount of **€50 million** (€1.15 per share) was paid in July 2023 as a **final dividend** against the company's profit for FY 2022/23, and the remaining **€97 million** (€2.25 per share) was paid in March 2024 as an **interim dividend** against FY 2023/24 earnings. Additionally, in light of the company's healthy earnings and its ability to generate extraordinary cash flows in FY 2023/24, the company will submit a motion at the Annual General Meeting, planned for 24 July 2024, for the payment of a total dividend against FY 2023/24 profits of **€2.49 per share**, which would imply payment of a final dividend of €0.24 per share, as the other €2.25 per share was already paid out as an interim dividend, and an **extraordinary dividend of €2.01 per share** against the share premium account.

As for the developments with respect to **treasury stock**, in October 2023, the company cancelled 3,106,537 own shares as an additional form of shareholder remuneration. This cancellation, coupled with the acquisition of 433,497 own shares and the delivery of 52,631 shares to employees under the Long-Term Incentive Plan in FY 2023/24, left the company with 583,260 own shares representing **1.33%** of the total outstanding (carried at their purchase value of **€9.9 million**) at 31 March 2024.

Tinee (Boadilla del Monte)

Liabilities that mature in the long term

In FY 2021/22, AEDAS Homes modified its financing structure by issuing **€325 million** of 4.00% green bonds due August 2026; those bonds are listed on the Irish Stock Exchange's Global Exchange Market. The green bonds carry BB-, BB and Ba2 ratings from S&P, Fitch and Moody's, respectively, unchanged since their assignment, which are the **highest ratings in the EMEA development sector**. This placement allowed the company to lock in a very attractive fixed rate of interest on a significant percentage of its long-term borrowings, while diversifying its sources of financing and providing it with access to a **revolving credit facility** for up to **€55 million** with a group of banks.

In order to keep its borrowings at appropriate levels, on 20 March 2024, the company launched a **partial repurchase offer** for up to €50 million of those green bonds. That offer was oversubscribed so that the total amount bought back ended up at **€68.4 million**. That offer was settled and the bonds were cancelled in early April 2024. As a result of this transaction, as well as the cancellation of additional bonds bought back in the open market for €1.6 million between February and March 2024, the **outstanding balance** on the green bond issue currently stands at **€255 million** (face value).

At March 2024, the company also had **development financing** totalling €157 million (at amortised cost). Of that total, €154 million matured in the long term (+€28 million from 31 March 2023). €145 million was secured by mortgages and the remaining €9 million was unsecured.

DEVELOPER LOANS FORMALISED
At 31 March 2024

Financial entity	**€m**
BBVA	197.4
Santander	169.5
Sabadell	89.2
Cajasur	53.9
Caixa	52.1
Iberia Private Real Assets Credi, SCSp	44.4
Kutxabank	27.5
Ibercaja	23.0
Targobank	20.3
Bankinter	20.0
Abanca	5.1
Unicaja	5.1
Caja Rural de Asturias	3.5
Total	**711.0**

As for **mortgaged development financing** (excluding land financing), note that at 31 March 2024, the company had arranged developer loans over a total of 97 developments with aggregate maximum principal of €667 million (including the amount arranged in two mortgages over two developments transferred to the co-investment vehicles set up in FY 2023/24 whose assumption by those vehicles was still pending at year-end). Of that authorised limit, the company had drawn down €149 million as of the reporting date (excluding €66 million drawn down on behalf of home buyers and without adjusting for amortised cost).

With respect to the **unsecured development financing**, this debt, which has a limit of €112 million, was arranged in July 2021 to finance 10 BTR developments. It matures in July 2025. In FY 2023/24, that contract was amended to modify the maximum tranches per development and modify the scope of financeable developments. As a result at 31 March 2024, the limit on this facility stood at €44 million, of which €9 million had been drawn down.

Mara Views (Alicante)

At 31 March 2024, AEDAS Homes had development financing with aggregate maximum principal of €667 million, of which €215 million was drawn down

Liabilities that mature in the short term

The main movements under these headings are:

- The **amortised cost of the development financing** that matures in the short term decreased by €3 million to €3 million in FY 2023/24.
- The company arranged **unsecured corporate debt** in the amount of €30 million, on which the outstanding balance stood at €23 million at 31 March 2024.
- **Customer prepayments** decreased by €33 million to €162 million due to the deliveries made during the year, in addition to the **deconsolidation of the pre-sold units transferred to the co-investment vehicles** set up in FY 2023/24 in which the company holds non-controlling interests.
- The balance of **trade payables and current provisions** increased by €31 million to €249 million, due to the increase in developments completed during the year, as well as the increase in deferred payments for land acquired.
- Lastly, the outstanding balance of **commercial paper**, at amortised cost, increased by €4 million to €49 million.

Arana (Villanueva del Pardillo)

CONSOLIDATED BALANCE SHEET

(€ m)	31 March 2024	31 March 2023	Δ (€m)	Δ (%)
Other non-current assets	121.7	37.4	84.3	225.5%
Deferred tax assets	6.9	5.3	1.6	30.5%
NON-CURRENT ASSETS	**128.6**	**42.7**	**85.9**	**201.3%**
Inventories	1,487.0	1,610.7	(123.7)	(7.7%)
Trade receivables	60.9	42.9	18.1	42.2%
Other current assets	45.9	28.0	17.9	63.8%
Unrestricted cash	239.5	198.7	40.8	20.5%
Restricted cash	50.3	46.1	4.2	9.0%
CURRENT ASSETS	**1,883.6**	**1,926.3**	**(42.7)**	**(2.2%)**
TOTAL ASSETS	**2,012.2**	**1,969.0**	**43.2**	**2.2%**
EQUITY	**931.1**	**969.6**	**(38.6)**	**(4.0%)**
Non-current borrowings	320.7	319.0	1.7	0.5%
Other non-current liabilities	0.7	2.8	(2.1)	(75.6%)
Deferred tax liabilities	0.6	0.3	0.3	130.6%
NON-CURRENT LIABILITIES	**322.0**	**322.0**	**(0.1)**	**-**
Development financing due in the long term	153.9	125.6	28.3	22.6%
Development financing due in the short term	3.1	6.4	(3.3)	(51.6%)
Current borrowings	71.4	44.4	27.0	60.9%
Trade payables and provisions	249.5	218.5	31.0	14.2%
Customer prepayments	162.1	194.8	(32.7)	(16.8%)
Other current liabilities	119.2	87.7	31.5	35.9%
CURRENT LIABILITIES	**759.1**	**677.3**	**81.8**	**12.1%**
TOTAL EQUITY AND LIABILITIES	**2,012.2**	**1,969.0**	**43.2**	**2.2%**

The movement in equity reflects the company's healthy annual earnings, as well as its firm commitment to providing its shareholders with attractive remuneration

Statement of cash flows

At 31 March 2024, cash and cash equivalents amounted to €290 million, up €45 million from 31 March 2023. That increase is attributable to net cash inflows from operating activities of €236 million, net cash outflows from investing activities of €91 million and net outflows from financing activities of €100 million.

Besides the company's EBITDA, the increase in **net cash flows from operating activities** was driven primarily by: (i) the €123 million decrease in inventories, shaped mainly by home sales and the sale of developments to co-investment vehicles; (ii) the €19 million increase in trade receivables and other current assets, which represented a decrease in net cash of €33 million; and (iii) the €33 million decrease in customer prepayments, prompted by the volume of deliveries during the year, as well as the deconsolidation of the pre-sold units transferred to the co-investment units set up in FY 2023/24 in which the company holds non-controlling interests.

As for the **net cash flows used in investing activities**, the main investments were the non-controlling interests taken in the co-investment vehicles set up in FY 2023/24, as well as loans extended to investees of those vehicles.

The €100 million of **net cash flows used in financing activities** derived mainly from the payment of €147 million in dividends in FY 2023/24, partially offset by a net increase in the draw down of borrowings in the amount of €53 million.

Valdemoro BTR (Valdemoro)

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ m)	FY 2023/24	FY 2022/23*	Change
Group profit before tax	**146.9**	**137.4**	**9.5**
Adjustments for finance income/costs	**24.8**	**22.4**	**2.4**
Net finance cost	52	45.4	6.6
Borrowing costs capitalised in inventories	(27.1)	(23.5)	(3.6)
Change in fair value of financial instruments and exchange differences	-	0.5	(0.5)
Exchange differences	0	-	0
Share of profit/(loss) of associates	**(0.4)**	**(1.5)**	**1.1**
EBIT	**171.3**	**158.2**	**13.1**
Depreciation/amortisation and impairment charges	1.6	6	(4.4)
EBITDA	**172.9**	**164.2**	**8.7**
Other adjustments to profit	(4.5)	1.5	(6.0)
Other cash used in operating activities	(52.4)	(46.8)	(5.6)
Change in working capital excluding land purchases/sales	104.9	(17.7)	122.5
Change in working capital derived from land purchases/sales	15.4	(121.5)	136.9
(A) Net cash from operating activities	**236.3**	**(20.2)**	**256.5**
Investments in group companies and associates	(168)	(13.8)	(154.3)
Investments in other PP&E and intangible assets	(3.5)	(5.9)	2.3
Investments in other financial assets	(2.7)	(17.1)	14.4
Proceeds from the sale of investments in group companies and associates	83	26.1	56.9
Proceeds from the sale of other financial assets	-	14.7	(14.7)
(B) Net cash (used in)/from in investing activities	**(91.2)**	**4.1**	**(95.3)**
Repurchase/sale of own shares	(5.8)	(9.9)	4.1
Issuance and repayment of borrowings	52.7	133.3	(80.6)
Dividends and payments on other equity instruments	(146.9)	(102.7)	(44.3)
(C) Net cash (used in)/from financing activities	**(100.0)**	**20.8**	**(120.8)**
Net increase in cash and cash equivalents (A+B+C)	**45.1**	**4.8**	**40.3**

* EBITDA in 2022/23 includes margin from land.

At 31 March 2024, cash and cash equivalents amounted to €290 million, up €45 million from 31 March 2023

Borrowings

At 31 March 2024, the company's **gross financial debt at amortised cost** stood at **€549 million** (up €54 million from 31 March 2023), while unrestricted cash amounted to €240 million (i.e., excluding restricted balances). As a result, **net debt** stood at **€310 million**. Net debt increased by €13 million in FY 2023/24. The resulting leverage ratios were solid and stable, with a net LTV ratio of 16.3% and a net debt-to-EBITDA ratio of 1.8x (compared to 14.2% and 1.9x in FY 2022/23, respectively).

As for the **maturity profile**, it is important to distinguish between current and non-current liabilities. **Current liabilities** comprised the following items at year-end:

- **Development loans due in the long term:** €154 million at amortised cost, including developer loans, land financing and financing associated with the construction of BTR developments;
- **Development loans due in the short term:** €3 million at amortised cost, including developer loans and land financing;
- **Other financing due in the short term:** unsecured corporate debt (€23 million) and outstanding commercial paper (€49 million at amortised cost).

The company also has additional **untapped liquidity** in the form of two fully undrawn credit facilities with an aggregate limit of **€65 million** at 31 March 2024:

- A **credit facility** with a limit of €55 million which is associated with the green bond issue (refer to "Liabilities that mature in the long term" above).
- A **one-year credit facility** with a limit of €10 million arranged with Société Générale, Sucursal en España in August 2023.

Lastly, **non-current liabilities** comprised the green bond issue, with an amortised cost at year-end of €321 million.

In short, the company's capital structure reveals good diversification in terms of sources of financing and financial institutions, preventing the concentration of financial risk. Moreover, **86%** of total gross debt (at amortised cost) was **due in the long term.**

The **average nominal cost** of the debt drawn down amounted to **4.8%** in FY 2023/24 (up 35 basis points year-on-year, due mainly to the increase in benchmark rates). However, if the company were to draw down the entire limit (i.e., an additional €559 million), the nominal average cost of its total borrowings would be 5.9% and the nominal average cost of its development financing would be 6.8%.

Stable and solid leverage ratios: net LTV of 16.3% and net debt/EBITDA of 1.8x

FINANCIAL LEVERAGE

	31 March 2024	31 March 2023	31 March 2022
Net financial debt (€m)	310	297	273
Net LTC	20.80%	18.40%	18.00%
Net LTV	16.30%	14.20%	13.20%
Net debt/EBITDA	1.8x	1.9x	1.8x
Interest coverage ratio	7.0x	6.9x	7.5x
Average borrowing cost	4.80%	4.50%	3.60%

TREND IN NET DEBT

(€m)	31 March 2024	31 March 2023	Change
(A) Development financing	**159.4**	**134.1**	**25.3**
Secured development financing	150.3	132.2	18.1
Unsecured development financing	9.1	1.9	7.2
(B) Corporate debt	**397.3**	**369.7**	**27.6**
Unsecured corporate borrowings	23	-	23
Listed commercial paper	49.3	44.7	4.6
Green bonds	325	325	-
Revolving credit facility	0	-	-
(C) Financial liabilities at amortised cost	(7.6)	(8.5)	0.9
(D) Gross debt (A + B + C)	**549.1**	**495.3**	**53.8**
(E) Unrestricted cash	239.5	198.7	40.8
Net debt (D - E)	**309.6**	**296.7**	**12.9**
(F) Cash tied to customer downpayments	50.3	46.1	4.3
TOTAL CASH (E+F)	**289.8**	**244.5**	**45.1**

A solid capital structure with diversified sources of financing and 86% of total debt due in the long term

Asset valuation

Panarea (Vilanova i la Geltrú)

At 31 March 2024, AEDAS Homes measured the **realisable value of its inventories**, understood as their **estimated sale price less all of the estimated costs necessary to complete their construction**. The fair value of its real estate asset portfolio was determined on the basis of appraisals performed by independent experts (Savills Valoraciones y Tasaciones, S.A.U.) excluding prepayments to suppliers. The appraisals were carried out 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).

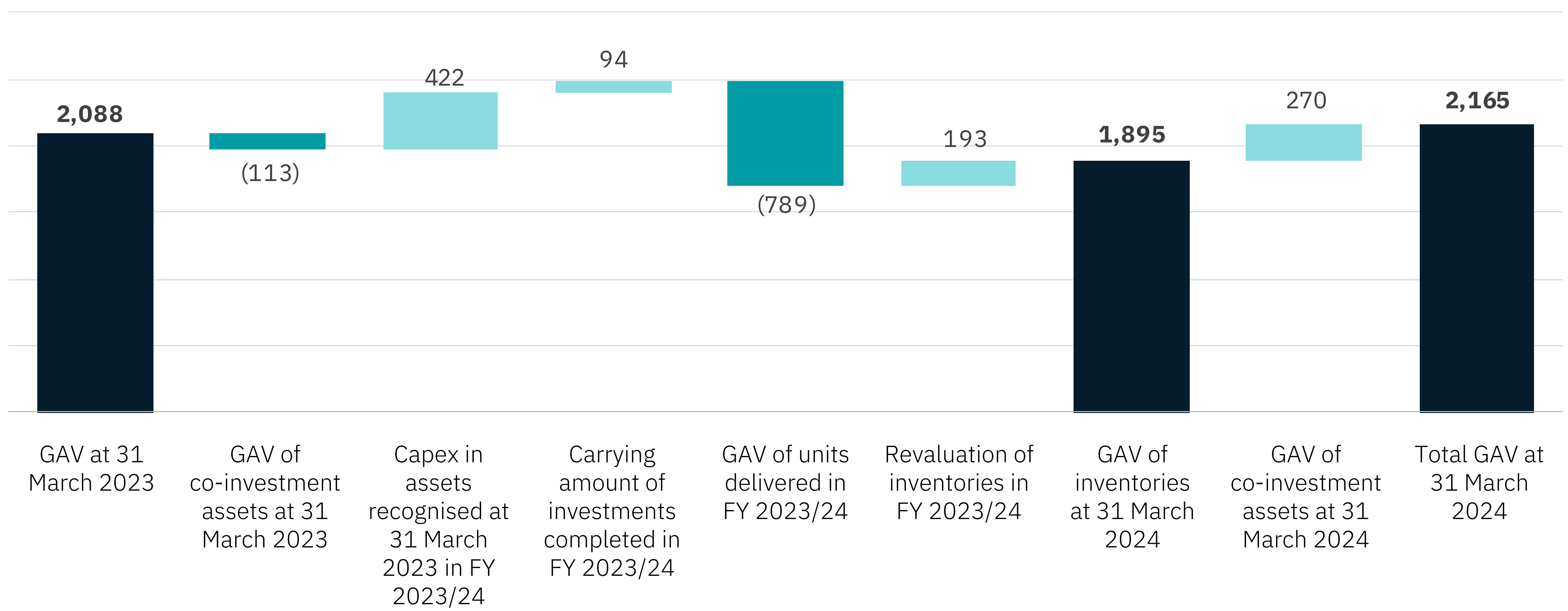
At 31 March 2024, the appraisal carried out by Savills **valued the company's inventories** (excluding prepayments to suppliers) at **€1.9 billion**. That appraisal has triggered the recognition of an inventory impairment loss of €2 million in the financial statements and implies unrealised gains of €451 million, of which €22 million relate to investments completed in FY 2023/24 and €430 million relate to assets recognised on the company's balance sheet at 31 March 2023. The year-end 2023 figure in turn reflected an annual increase in unrealised gains of €171 million (+10.6%) on the company's assets that year. As a result, the **annual increase in the fair value of the company's inventories** in the year ended 31 March 2024 amounted **€193 million** (**+11.3%** with respect to the sum of: (i) the fair value of the company's inventories at 31 March 2023; (ii) the carrying amount of the investments completed in FY 2023/24; and (iii) the carrying amount of investments in inventories during FY 2023/24).

In parallel, AEDAS Homes arranged, along with the **appraisal** of a co-investment transaction focused on land that is not yet fully-permitted, the appraisal of the assets transferred to the **two co-investment vehicles** set up in FY 2023/24. The fair value at 31 March 2023 of those assets, on aggregate, was €113 million. In the wake of that assessment, the **fair value** allocated to those assets was **€270 million**, which implies **annual revaluation** of **6.6%** with respect to the sum of (i) the fair value of the transferred assets at 31 March 2023; and (ii) the carrying amount of investments in those assets during FY 2023/24.

Note that the **fair value** at 31 March 2024 of the company's **inventories** and of 100% of the **assets sold to the new co-investment vehicles** totals **€2.17 billion**.

RECONCILIATION OF GAV* IN FY 2023/24

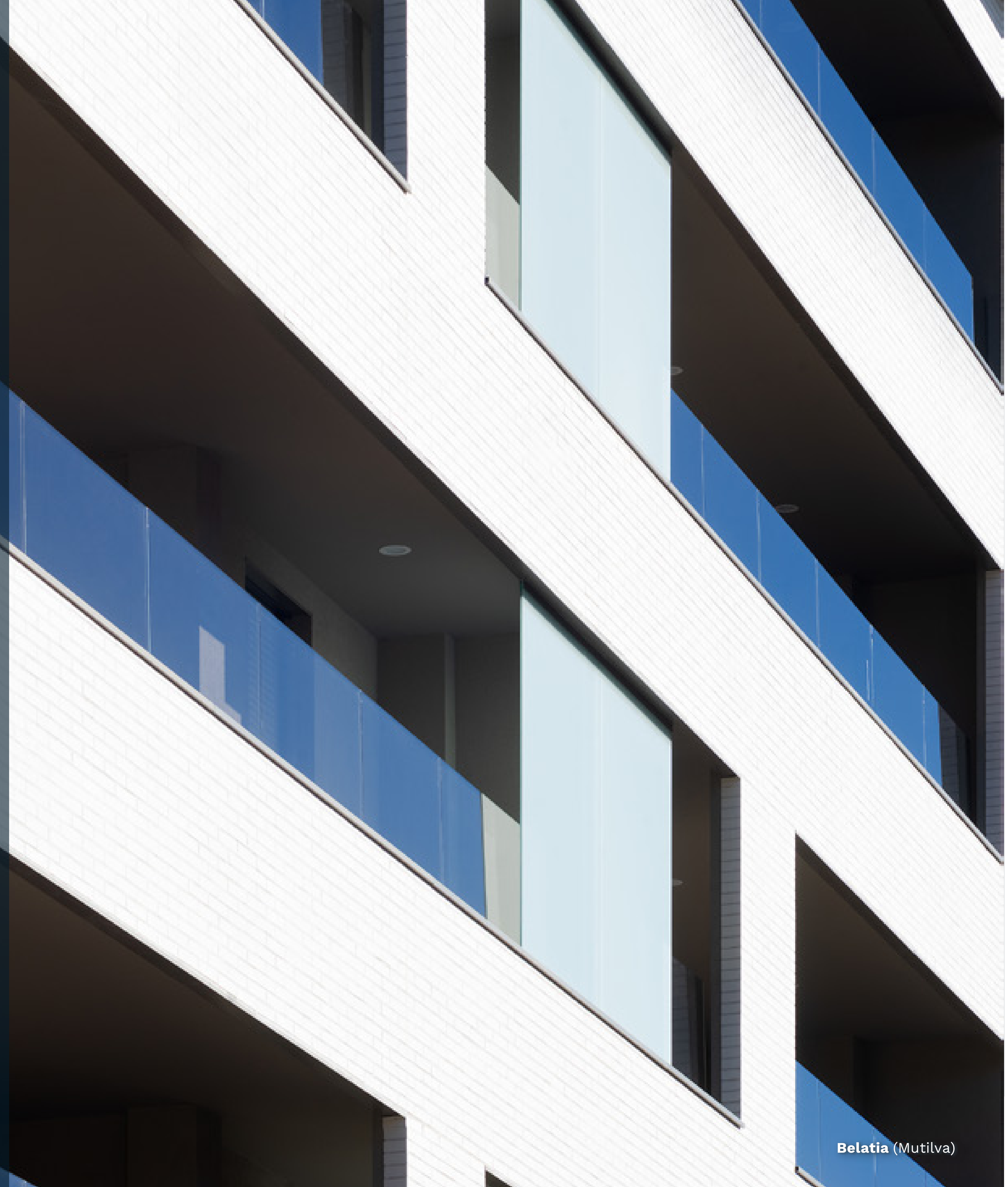
m€



(*) GAV: Gross Asset Value

Key performance indicators

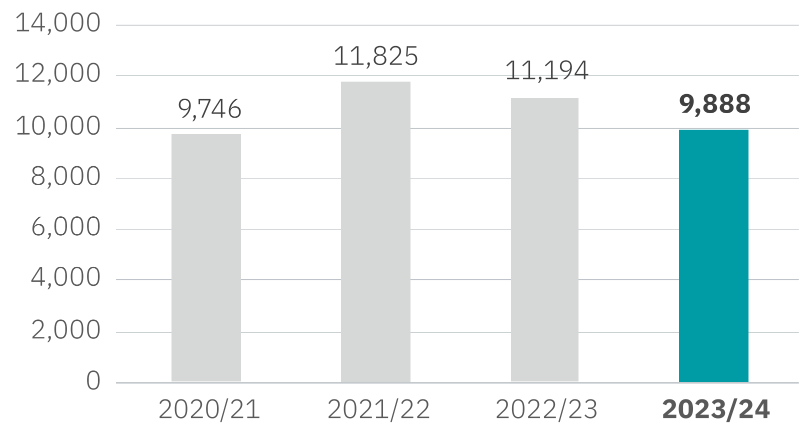
+ For more information about the alternative performance measures (APMs) we use, visit the "Shareholders and investors" tab on AEDAS Homes' website, where you will find Alternative Performance Measures within the Investor Kit menu



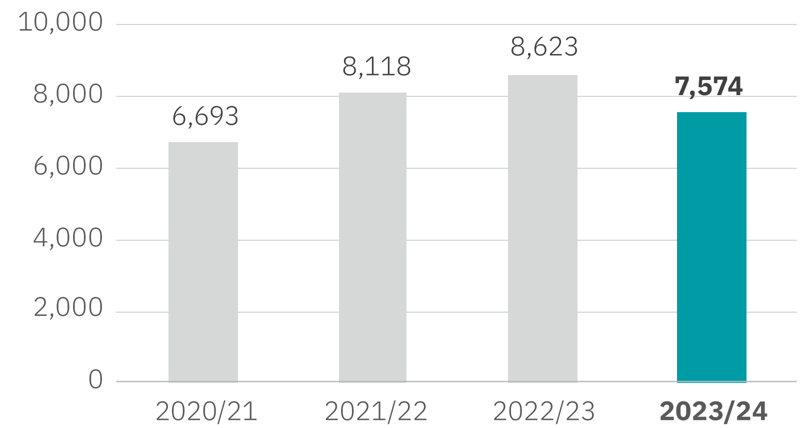
Belatia (Mutilva)

Key business indicators

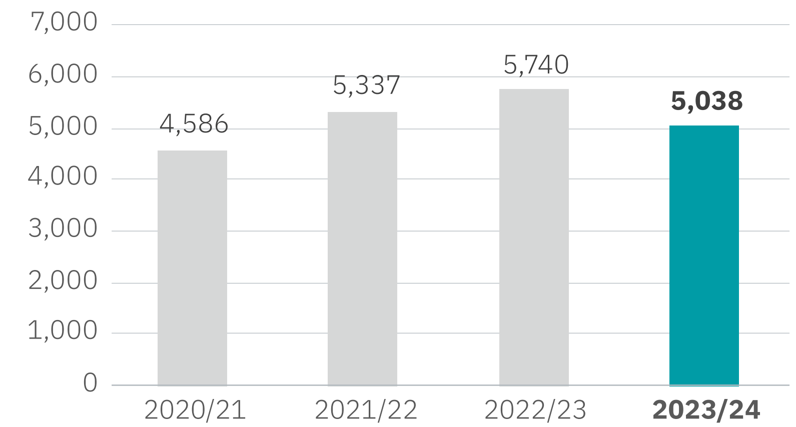
ACTIVE UNITS [1]
Units



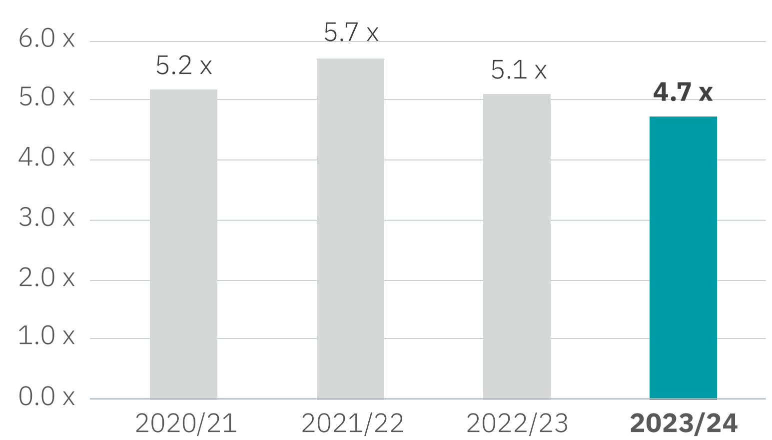
UNITS ON THE MARKET [1]
Units



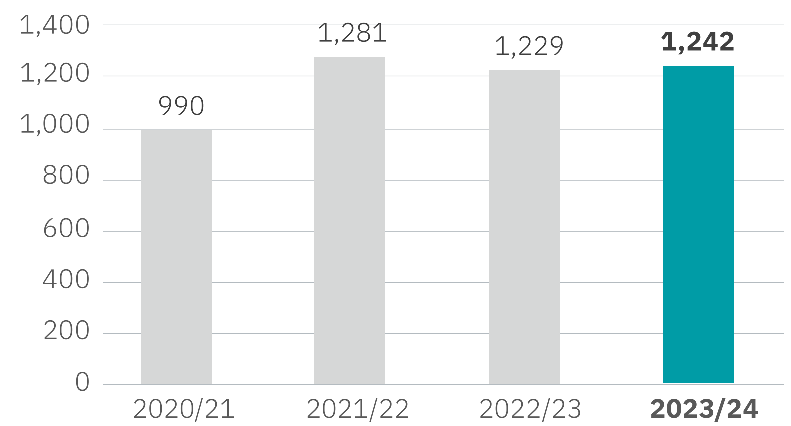
UNITS UNDER CONSTRUCTION [1]
Units



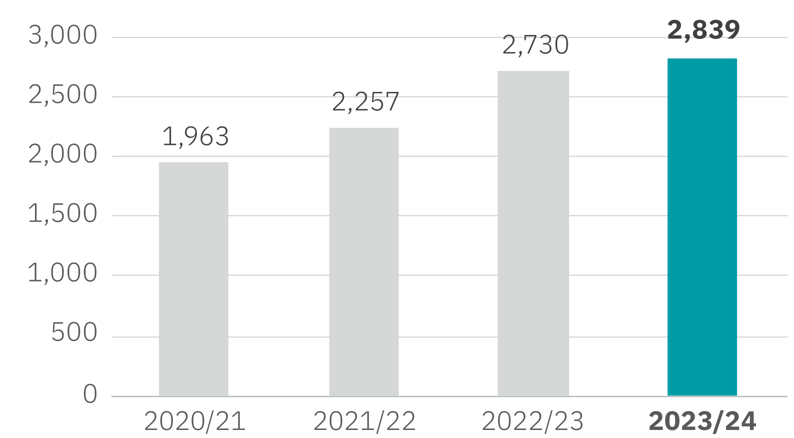
LAND BANK COVERAGE RATIO [2]
(x)



ORDER BOOK VALUE [1]
€m



UNITS DELIVERED [3]
Units



(1) The totals for FY 2023/24 include the units transferred to the co-investment vehicles set up during the year.

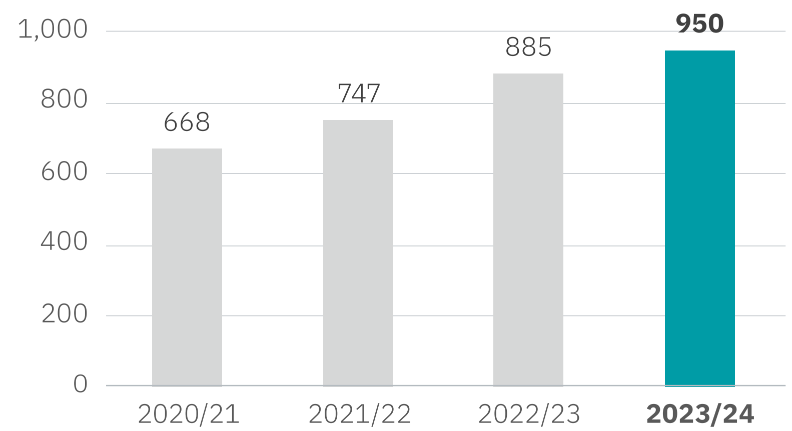
(2) Coverage calculated assuming 3,000 deliveries annually (including those units in co-investment vehicles).

(3) Total annual deliveries here includes only those units delivered through the core residential development business (BTS+BTR). All units delivered by the Real Estate Services division are excluded here.

Key financial indicators

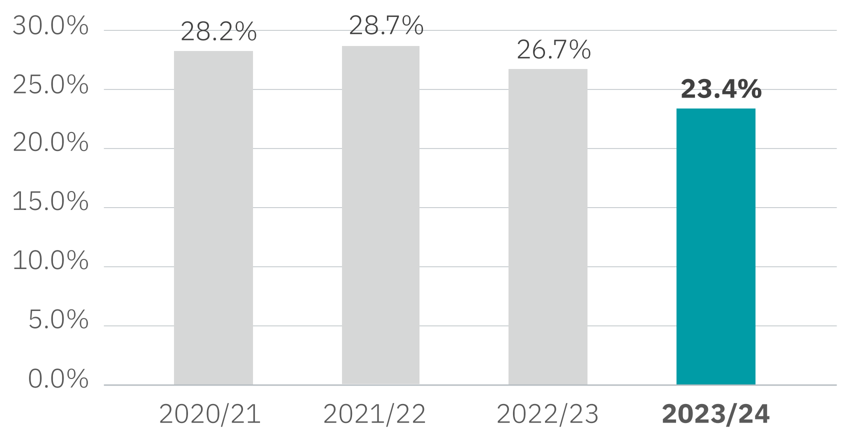
REVENUE FROM DELIVERY OF DEVELOPMENTS (BTS + BTR)

€m



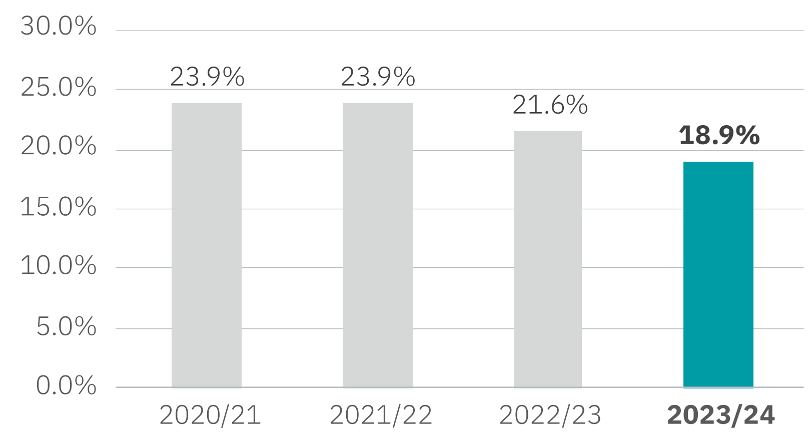
GROSS DEVELOPMENT MARGIN (BTS + BTR)

%



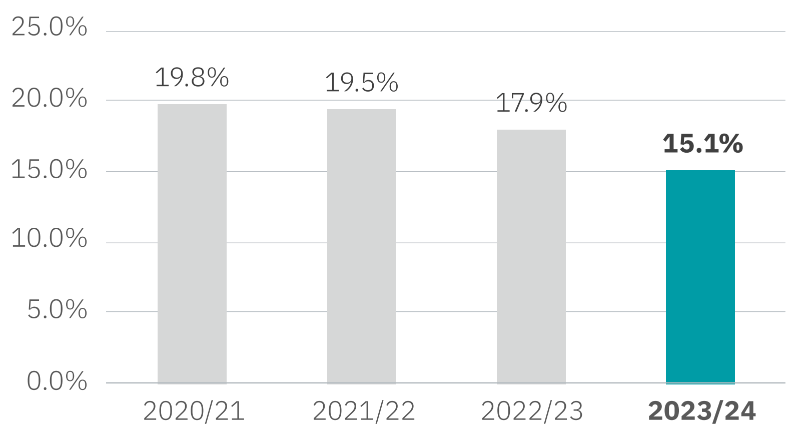
NET DEVELOPMENT MARGIN (BTS + BTR)

%



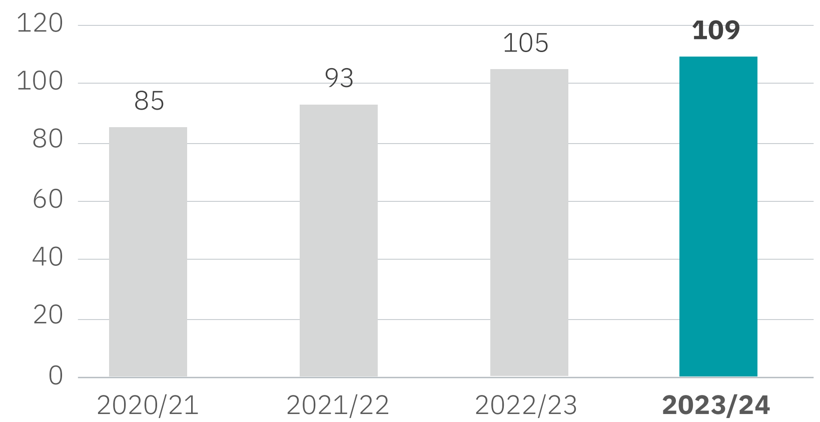
EBITDA MARGIN [4]

%



ATTRIBUTABLE NET PROFIT

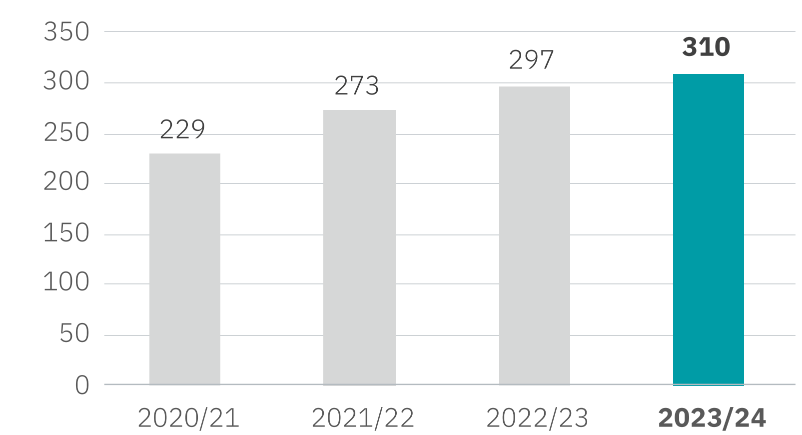
€m



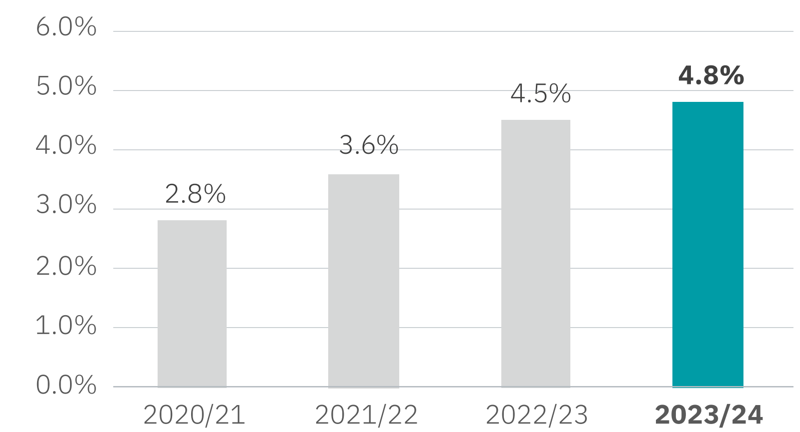
(4) The FY 2022/23 EBITDA margin includes the margin on strategic land.

Capital structure indicators

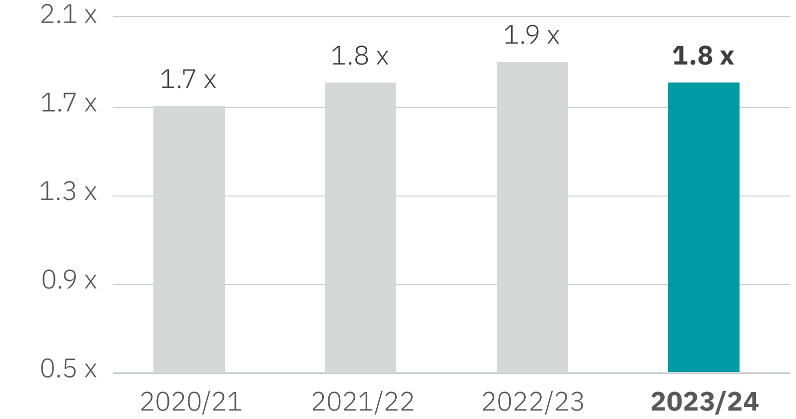
NET DEBT
€m



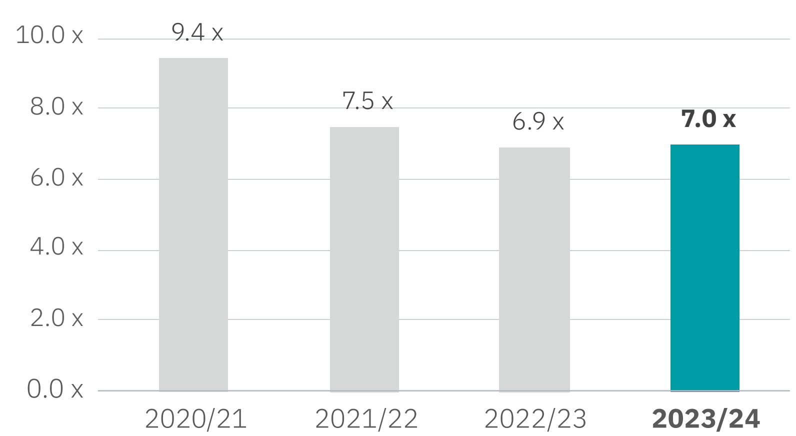
NOMINAL AVERAGE BORROWING COST
%



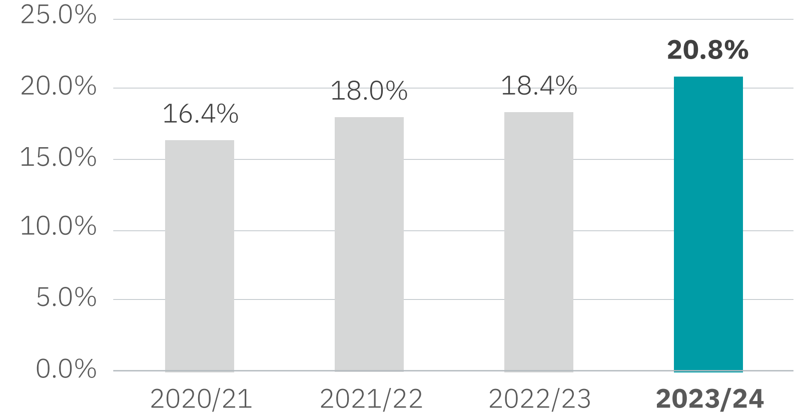
NET DEBT/EBITDA
x



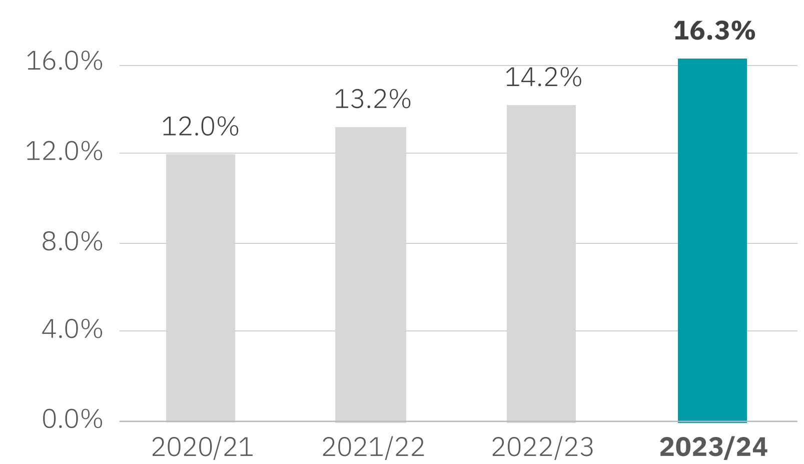
INTEREST COVERAGE RATIO
x



LTC
%



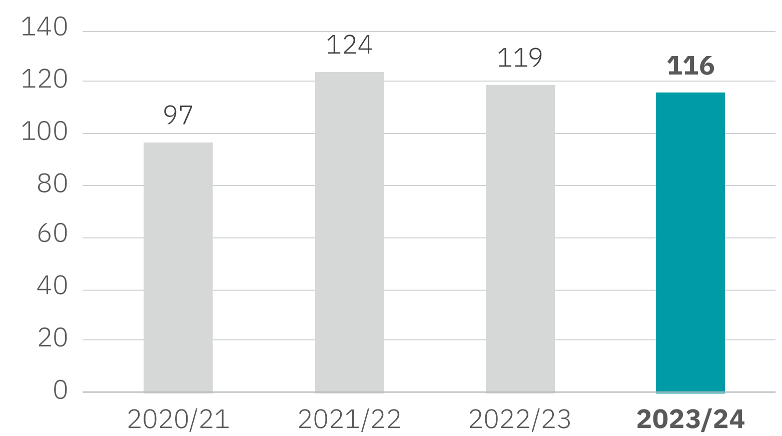
LTV
%



Shareholder remuneration indicators

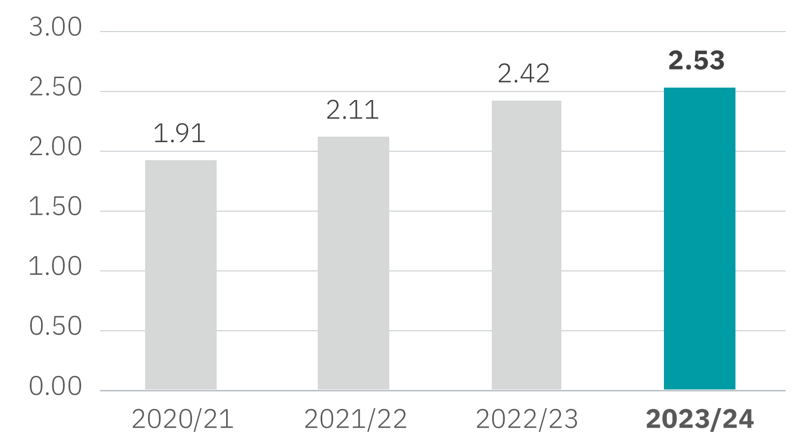
FUNDS FROM OPERATIONS

€m



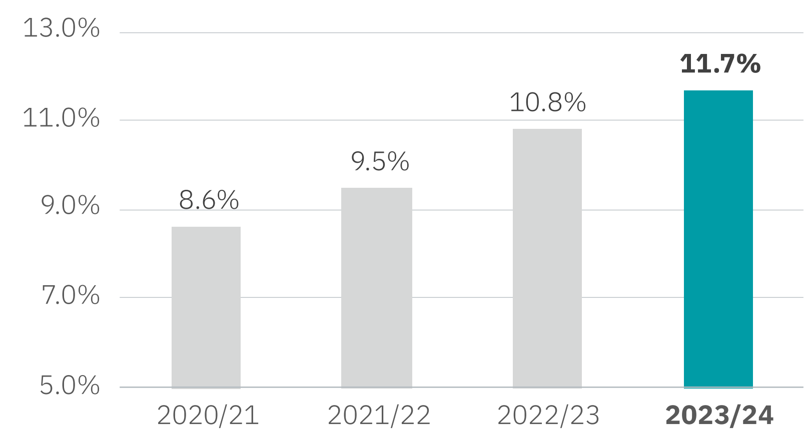
DILUTED EARNINGS PER SHARE [5]

€/share



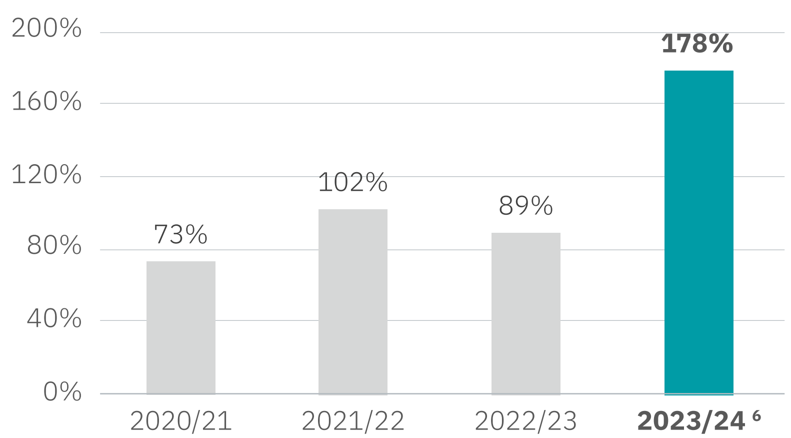
ROE

%



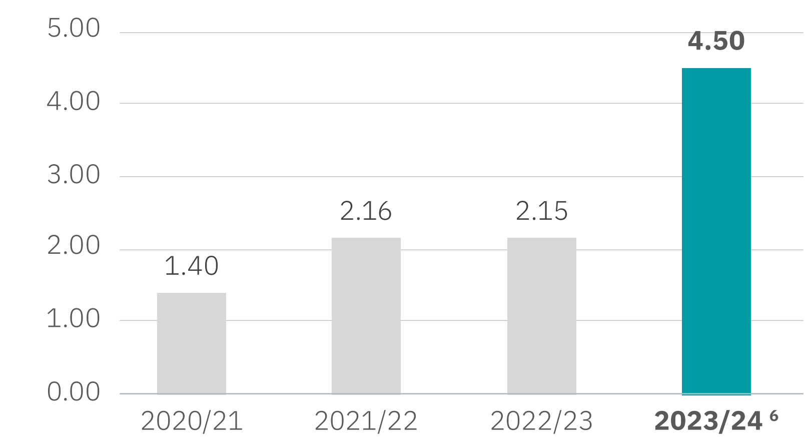
DIVIDEND PAYOUT

%



DILUTED EARNINGS PER SHARE [5]

€



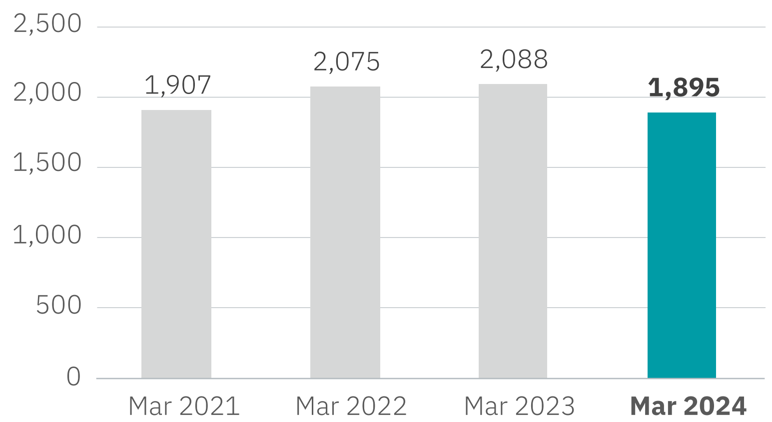
(5) Calculated based on the number of outstanding shares adjusted by treasury shares.

(6) Including the dividend against the share premium account.

Valuation indicators

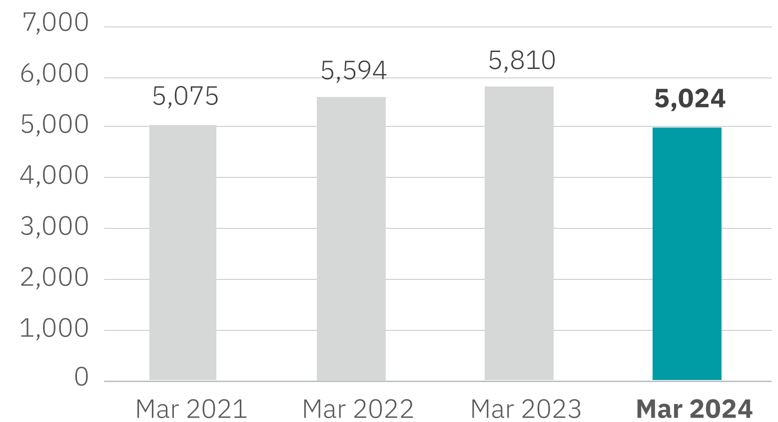
GROSS ASSET VALUE (GAV) [7]

€m



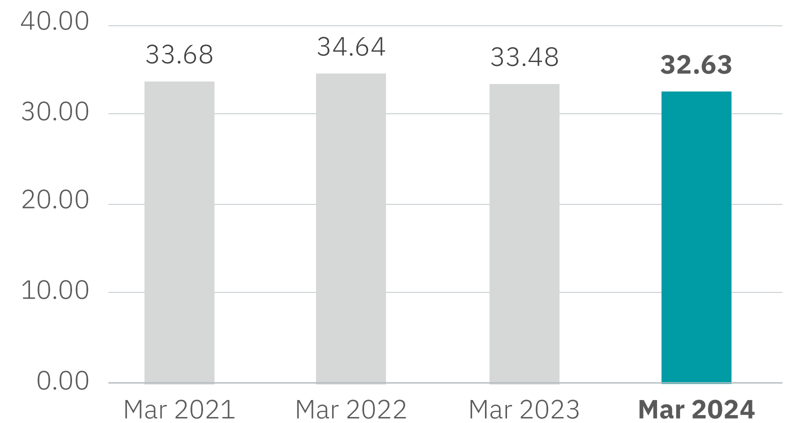
ATTRIBUTABLE GROSS DEVELOPMENT VALUE (GDV) [8]

€m



NET ASSET VALUE (NAV) PER SHARE [9]

€



(7) GAV excludes the units transferred to the co-investment vehicles set up in FY 2023/24.

(8) GDV includes the assets transferred to the co-investment vehicles at AEDAS Homes' final non-controlling ownership interest in those vehicles; this measure of GDV also excludes the estimated revenue potential of transactions committed to in FY 2023/24 that had not closed by 31 March 2024.

(9) The NAV/share calculation excludes the following own shares: 3,305,632 (March 2023), 2,720,335 (March 2022) and 3,325,249 (March 2021).

Shared progress

Collaborating with our stakeholders

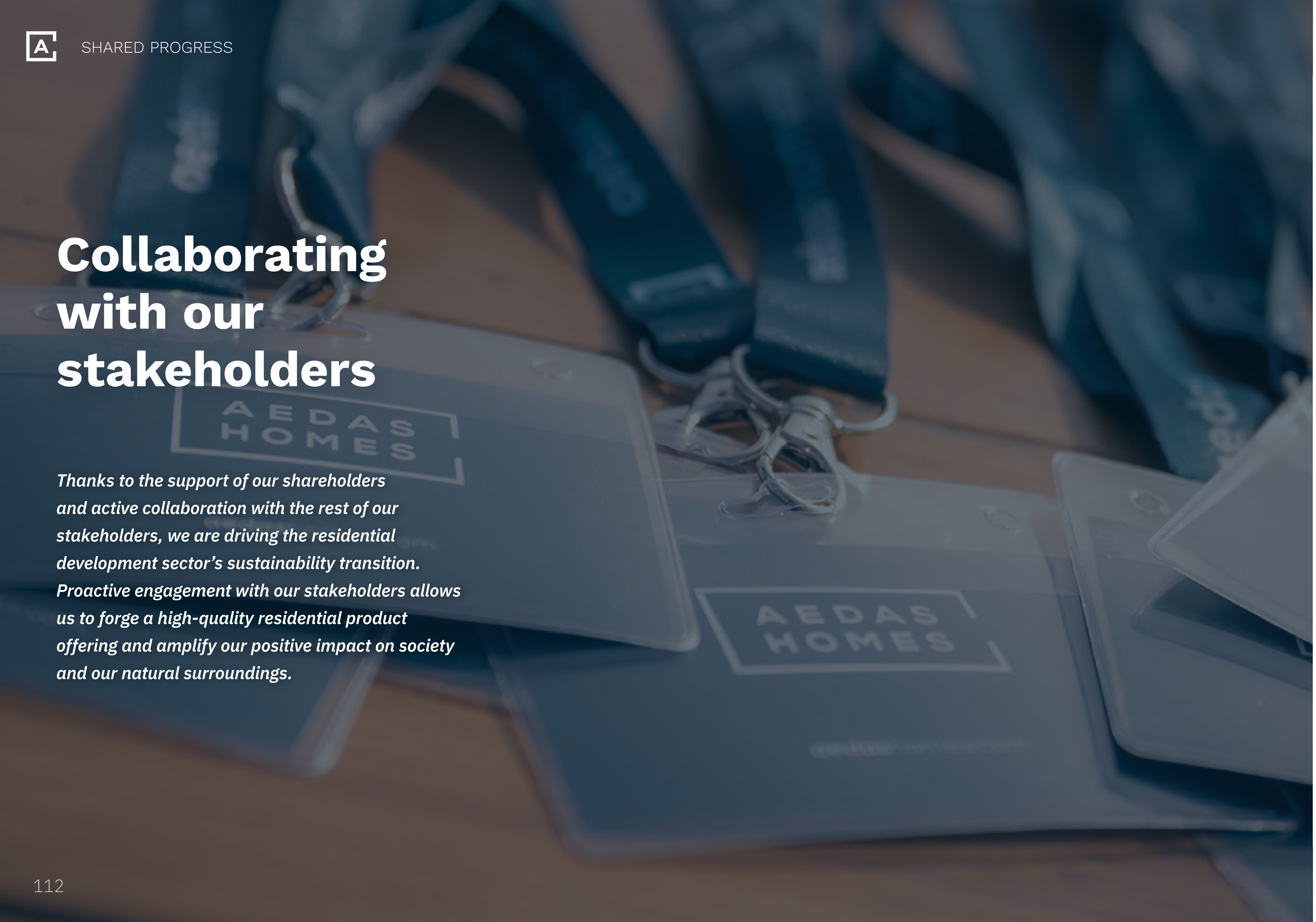
Our shareholders: key support for our business

Customers: innovating for their satisfaction

Our professionals: the talent driving our growth

Suppliers: collaborating for everyone's benefit

Society: we contribute to the sector's development and give back to the community



Collaborating with our stakeholders

Thanks to the support of our shareholders and active collaboration with the rest of our stakeholders, we are driving the residential development sector's sustainability transition. Proactive engagement with our stakeholders allows us to forge a high-quality residential product offering and amplify our positive impact on society and our natural surroundings.

At AEDAS Homes, we have identified **seven stakeholder groups** that contribute to the development of our business activity and, by the same token, are influenced by it: shareholders, customers, employees, suppliers, public administrations, institutions and society.

Keenly aware that our long-term viability is closely tied to satisfying their legitimate interests, we **involve our stakeholders** in our decision-making by means of constant dialogue through a **range of channels**.

Thanks to this outreach effort, which is fully integrated into our management system, our stakeholders can request and receive information and make suggestions about how we could do better in matters of concern to them.

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

+ For further information, refer to "Materiality"


María G. Matiacci, Technical Director at AEDAS Homes, in the 6th Annual Gathering of Architects

Keenly aware that our long-term viability is closely linked to our stakeholders' interests, we keep an open diagloue with them across a range of channels

STAKEHOLDER ENGAGEMENT EFFORT

Investors and shareholders

Goal

Generating value via shareholder remuneration

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

Public administrations

Goal

Collaborating lawfully with the authorities as needed

- General contact points
- Corporate website
- Government portals

Employees

Goal

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

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

Suppliers

Goal

Partnering to build innovative, quality and future-looking housing

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

Customers

Goal

Creating sustainable places to live that generate wellbeing

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

Society

Goal

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

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

Institutions

Goal

Supporting the sector in the transition to a sustainable economy

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

Tangible improvement in reporting effort

Our **commitment to transparency and the provision of quality information to our stakeholders** was evident in *Informe Reporta* 2023, a study carried out by the communication agency Quum to assess the reporting standards of the companies traded on the Madrid stock exchange.

Thanks to the **improvements made to the Integrated Annual Report 2022/23**, AEDAS Homes climbed 21 positions on the ranking, boosting its score by 15.8 points. That was one of the most significant improvements observed for the year, well ahead of the inroads made by most of the listed companies (the average improvement was 1.5 points). Ultimately, AEDAS Homes ranked 52nd among the universe of listed companies, with a score of 54.3 points.

2nd Annual Technology Gathering

Thanks to the improvements made to the Integrated Annual Report 2022/23, we have climbed 21 positions in the Informe Reporta ranking, which assesses the reporting standards of the companies traded on the Madrid stock exchange.

Artificial intelligence applied to communication

With the aim of **improving the workflow** behind press releases targeted at the local, national and international media, last year we carried out **two pilot tests using generative AI.**

The first allows us to generate press releases starting from data, tables and texts. The press releases are generated to fit a predetermined structure that meets the company's requirements. This tool enables us to generate press releases faster; we no longer have to create the documents from scratch but rather supervise the content generated using AI.

The second pilot test allows us to translate any press release written in Spanish into English following the company's style guide. This tool is trained and learns the idioms we prefer. It multiplies the English-language content in its memory and, as a result, extends our international reach.

It allows us to **streamline our communication effort**, particularly that of the Communication and IR Departments.

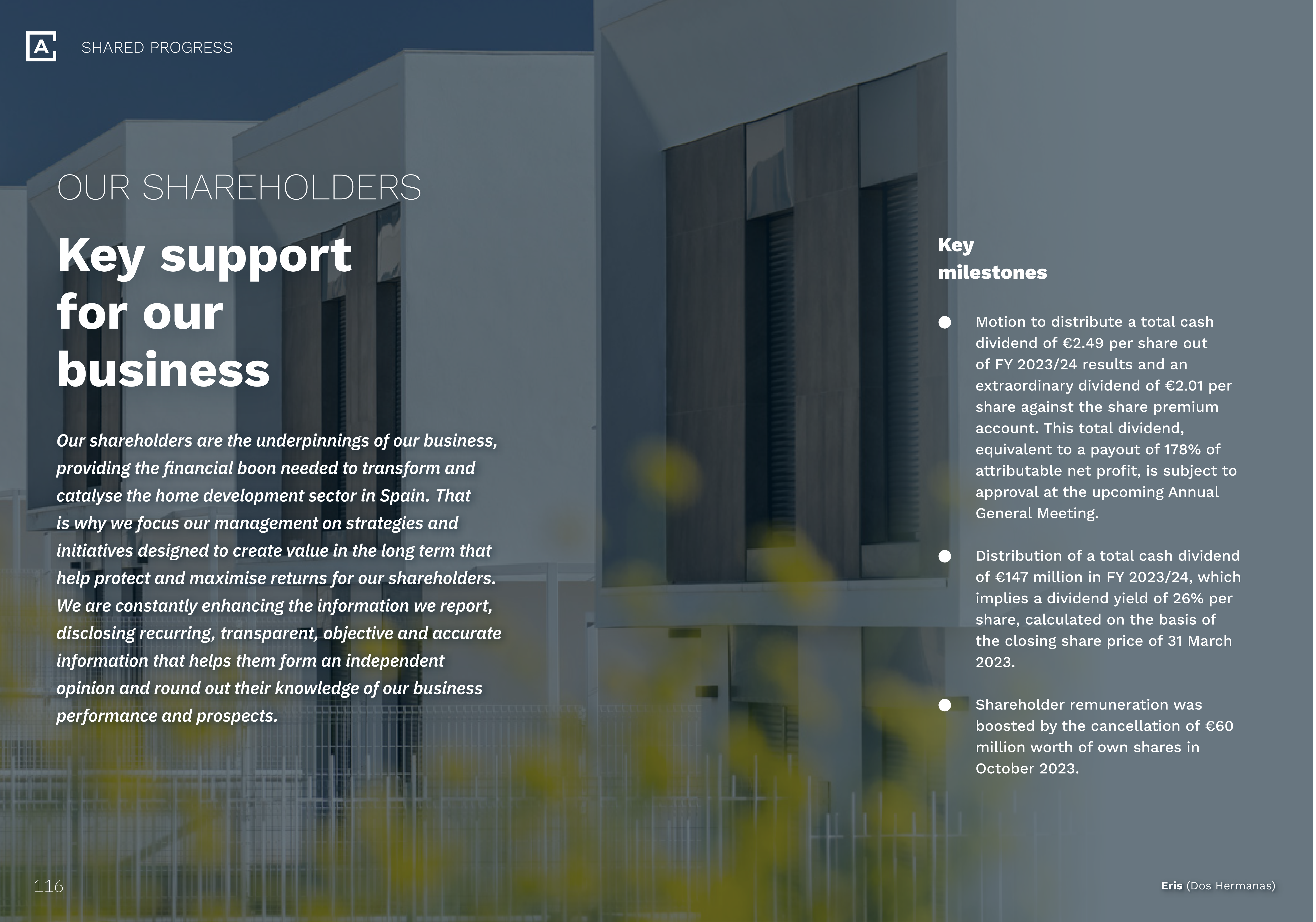
OUR SHAREHOLDERS

Key support for our business

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

Key milestones

- Motion to distribute a total cash dividend of €2.49 per share out of FY 2023/24 results and an extraordinary dividend of €2.01 per share against the share premium account. This total dividend, equivalent to a payout of 178% of attributable net profit, is subject to approval at the upcoming Annual General Meeting.
- Distribution of a total cash dividend of €147 million in FY 2023/24, which implies a dividend yield of 26% per share, calculated on the basis of the closing share price of 31 March 2023.
- Shareholder remuneration was boosted by the cancellation of €60 million worth of own shares in October 2023.



Eris (Dos Hermanas)

Shareholder structure

At the end of March 2024, AEDAS Homes' share capital comprised 43,700,000 ordinary shares, each with a par value of €1, of the same class, fully subscribed and paid in and all carrying the same voting and dividend rights. The year-end share capital balance is the result of ratification at the July 2023 Annual General Meeting of the motion to cancel 3,106,537 own shares. That capital decrease was filed with the Madrid Companies Register on 11 October 2023.

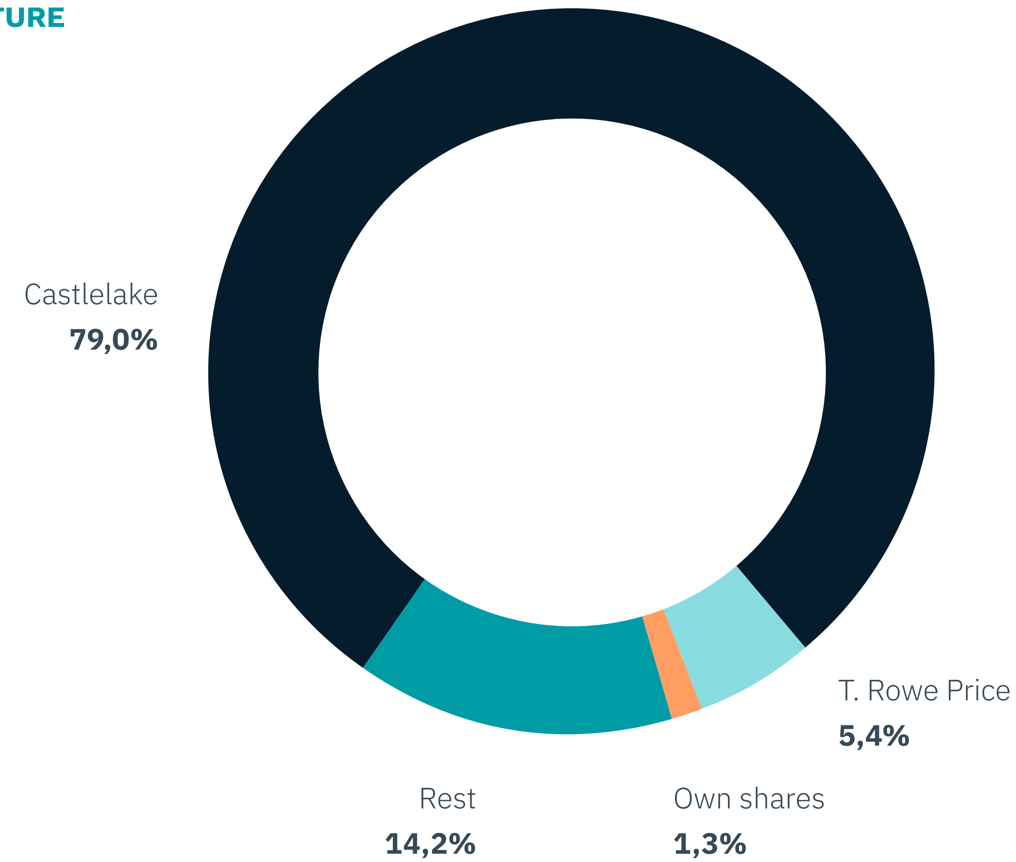
All of AEDAS Homes' shares have been traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since October 2017 and had a market value of €760 million at 28 March 2024. Since March 2018, AEDAS Homes' shares have also been part of the IBEX Small Cap index, a composite equity index compiled by Bolsas y Mercados Españoles (BME) made up of the small-cap companies listed on Spain's four stock exchanges that trade through the electronic trading platform (SIBE for its acronym in Spanish).

According to the most recent information reported to the Spanish securities market regulator, the CNMV, at the end of March 2024, the company's core shareholder remained the US fund, Castlelake, through Hipoteca 43 Lux S.à.r.l., which holds 79.02% of the company's total outstanding shares, followed by T. Rowe Price Associates Inc., with a 5.41% ownership interest. As of the reporting date, AEDAS Homes held 583,260 own shares, representing 1.33% of the total outstanding, with the remaining 14.24% in the hands of 3,200+ shareholders.

Therefore, the vast majority of the company's shares – 93.0% of the total - is held by institutional investors (excluding own shares). Moreover, international institutional investors dominate the shareholder ranks, with 97.5% of total shares outstanding (excluding own shares).

However, leaving aside the shares owned by Castlelake and those held as treasury stock, that snapshot shifts as follows: 59.3% of that universe of shares is controlled by foreign institutional investors; 11.8% is held by Spanish institutional investors; and the remaining 28.9% is owned by retail investors. Indeed, the investment position of retail investors (again, excluding the shares held by Castlelake and the company's own shares) increased by 50%+ in FY 2023/24.

SHAREHOLDER STRUCTURE



Integrated Annual Report 2023/24
+ Chairman's statement
+ CEO's statement
The year in brief
About AEDAS Homes
Financial information
Shared progress
Environmental milestones
Corporate governance
+ About this report
+ Data tables

Own shares

At 31 March 2024, AEDAS Homes held 583,260 own shares, equivalent to 1.33% of its share capital.

The key developments in FY 2023/24 were the following:

- On 20 July 2023, a motion was passed at the Annual General Meeting to cancel 3,106,537 own shares valued at €60 million. The cancelled shares affected the company's share capital from September 2023, although the capital decrease was not officially filed with the Madrid Companies Register until 11 October 2023. Cancellation of those own shares left the number of shares outstanding at 43,700,000, each with a par value of €1.
- In FY 2023/24, AEDAS Homes delivered 52,631 own shares to employees in keeping with its commitment under the long-term incentive scheme in place for executives and key employees.
- In FY 2023/24, AEDAS Homes acquired a total of 433,497 own shares at an average price of €16.15 per share for a total investment of approximately €7 million (excluding brokerage and bank fees).

The movements in own shares in FY 2023/24 are shown in the following table:

OWN SHARES

Number of shares	Purchased	Cancelled	LTIP	Total
Balance at 31/03/2023				**3,308,931**
Q1 2023/24	118,354	-	-	118,354
Q2 2023/24	187,905	-	(52,631)	135,274
Q3 2023/24	68,382	(3,106,537)	-	(3,038,155)
Q4 2023/24	58,856	-	-	58,856
Balance at 31/03/2024	**433,497**	**(3,106,537)**	**(52,631)**	**583,260**
Percentage of total outstanding				1.33%

A motion was passed at the Annual General Meeting to cancel 3,106,537 own shares valued at €60 million, thus boosting shareholder remuneration

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

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Shareholder remuneration

As is set down in its Shareholder Remuneration Policy, AEDAS Homes is committed to paying out at least 50% of attributable net profit in dividends, with scope for topping that ordinary dividend up by an extraordinary dividend to the extent the additional payment would not push the net loan-to-value (LTV) ratio above 20%.

In FY 2023/24, AEDAS Homes paid out €147 million of dividends in cash (of which €50 million corresponded to the final dividend against FY 2022/23 earnings and €97 million, to the interim dividend paid against FY 2023/24 profits on 26 March 2024), implying an annual dividend yield of 26%, calculated based on the share price at the close of trading on 28 March 2023.

Likewise, at the upcoming Annual General Meeting, the Board of Directors plans to table a motion for the distribution of a dividend against FY 2023/24 financial results of €2.49 per share, of which €0.24 per share corresponds to a final dividend (as €2.25 per share was already distributed in the form of an interim dividend in March 2024), and an extraordinary dividend of €2.01 per share against the share premium account. If ratified, the total dividend distributed would be equivalent to 178% of attributable net profit in FY 2023/24.

In FY 2023/24, we distributed cash dividends of €147 million, implying an annual dividend yield of 26%

DIVIDENDS DURING THE LAST FOUR YEARS

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Payout ratio	73%	102%	89%	178%
Interim	€0.90/share	€0.82/share	€1.00/share	€2.25/share
Final	€0.50/share	€1.34/share	€1.15/share	€0.24/share
Extraordinary	-	-	-	€2.01/share
Total dividend	€62m	€95m	€93m	~€194m

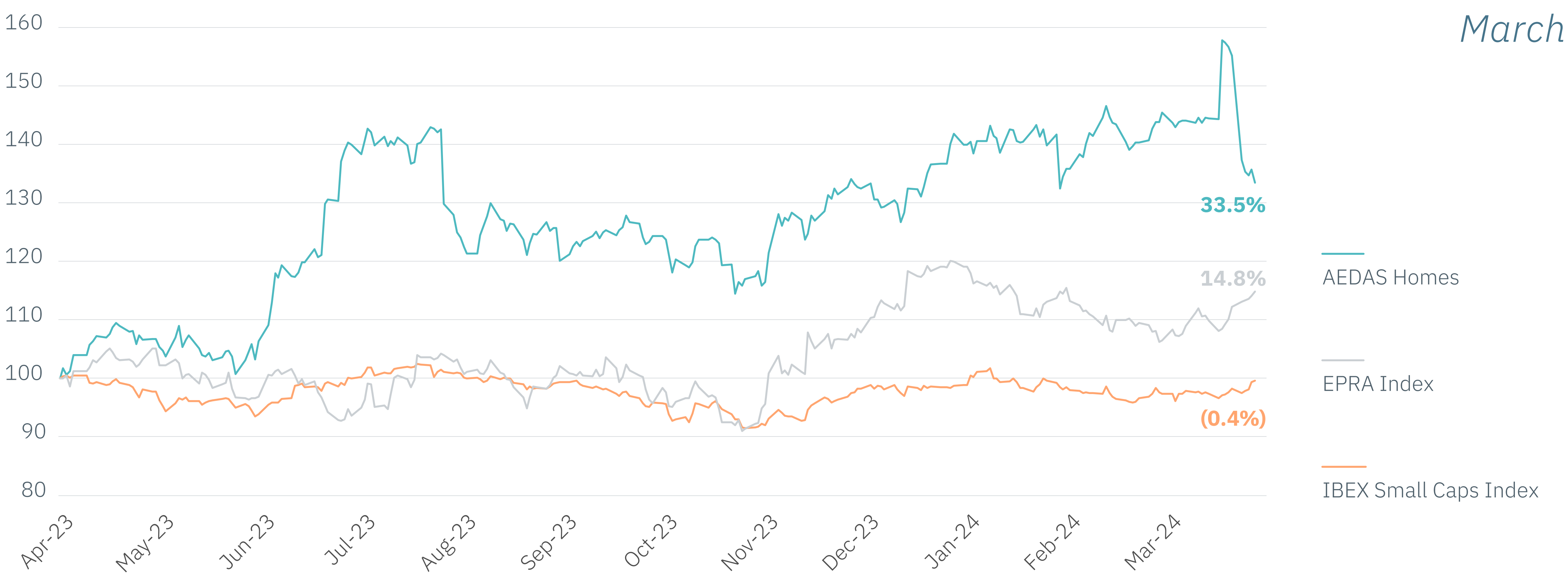
Share price performance

AEDAS Homes' share price closed at €17.38 per share on 28 March 2024, marking an annual gain of 33% (having closed at €13.02 on 31 March 2023). That closing price marked a discount of 18% to book value as of the reporting date. That discount is 30% smaller than the discount observed at 31 March 2023 but remains higher than the discount to book at which its British and French comparables are trading (1.0x and 1.4x, respectively) (source: Capital IQ, as of 31 March 2024).

As for **trading volumes**, close to 6.7 million AEDAS Homes shares traded hands in FY 2023/24 (year-on-year growth of 6.7%), which is equivalent to 15% of average total shares outstanding during the fiscal year, or 62% of the average excluding the shares held by Hipoteca 43 Lux S.à r.l. The average daily trading volume in FY 2023/24 was 26,452 shares, year-on-year growth of 8.4%.

On 28 March 2024, AEDAS Homes' share price closed at €17.38, implying a discount to book value of 18%, 30% smaller than the discount observed at 31 March 2023

SHARE PRICE PERFORMANCE



STOCK MARKET DATA

	FY 2021/22	FY 2022/23	FY 2023/24
Number of shares at 31 March	46,806,537	46,806,537	43,700,000
Share price at 31 March (€)	23	13.02	17.38
Annual change in the share price	2.70%	-43.40%	33.50%
High for the year (€)	28.6	25.7	20.55
Low for the year (€)	19.32	12.32	13.02
Market capitalisation at 31 March (€m)	1,077	609	760
Average daily trading volume (000 shares)	36,000	24,395	26,452

The 11 research analysts covering AEDAS Homes see upside in the company's share price, as is evident in their average target price of €21.81 per share, 25.5% above the closing price at 28 March 2024, with buy or overweight recommendations widespread

Note that the **11 research analysts that cover AEDAS Homes see upside in the company's share price**. That upside is underpinned by the company's strong fundamentals, as is borne out by the fact that their average target price stands at €21.81 per share, which is 25.5% above the closing price on 28 March 2024 and 6% above the average target price during the last quarter of FY 2022/23. Moreover, the recommendations issued by the vast majority of the analysts are buy or overweight (just two of the 11 analysts currently have hold recommendations).

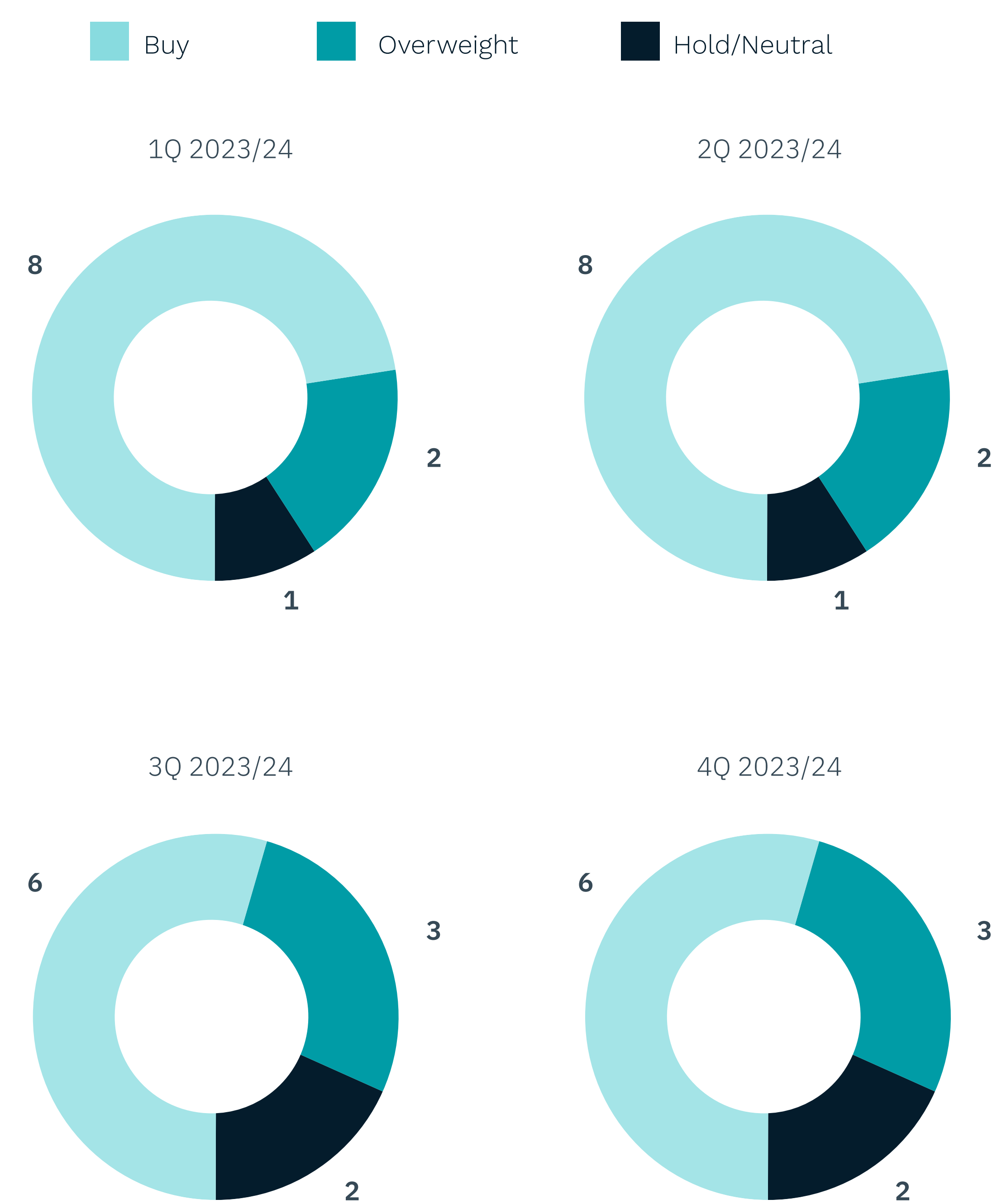
Benchmark indices

In addition to the Ibex Small Cap, AEDAS Homes' shares are traded in the **IBEX Top Dividendo** index and the **EPRA Developers Research Benchmark** index. The first is made up of the 25 stocks traded on the Ibex 35, Ibex Medium Cap or Ibex Small Cap with the highest dividend yields, while the second comprises European developers. Within the latter, AEDAS Homes' shares ranked among the top-5 performers as of February 2024.

ANALYST RECOMMENDATIONS AND AVERAGE TARGET PRICE

Brokerage	Recommendation
ALANTRA EQUITIES	Buy
BESTINVER	Buy
CAIXA-BPI	Buy
CITI	Hold/Neutral
JB CAPITAL	Buy
KEPLER CHEUVREUX	Buy
MIRABAUD	Hold/Neutral
ODDO BHF	Overweight
RENTA 4	Overweight
SABADELL	Buy
SANTANDER	Overweight
Average target price	**€21.81**

TREND IN RESEARCH ANALYST RECOMMENDATIONS



Shareholder and investor relations

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

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

SHAREHOLDER COMMUNICATION PRINCIPLES

Honesty | Transparency | Responsibility

IR Department

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

Investor Relations
investor@aedashomes.com
Paseo de la Castellana 130, 5th floor
Madrid, Spain
T. + 34 917 880 000

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

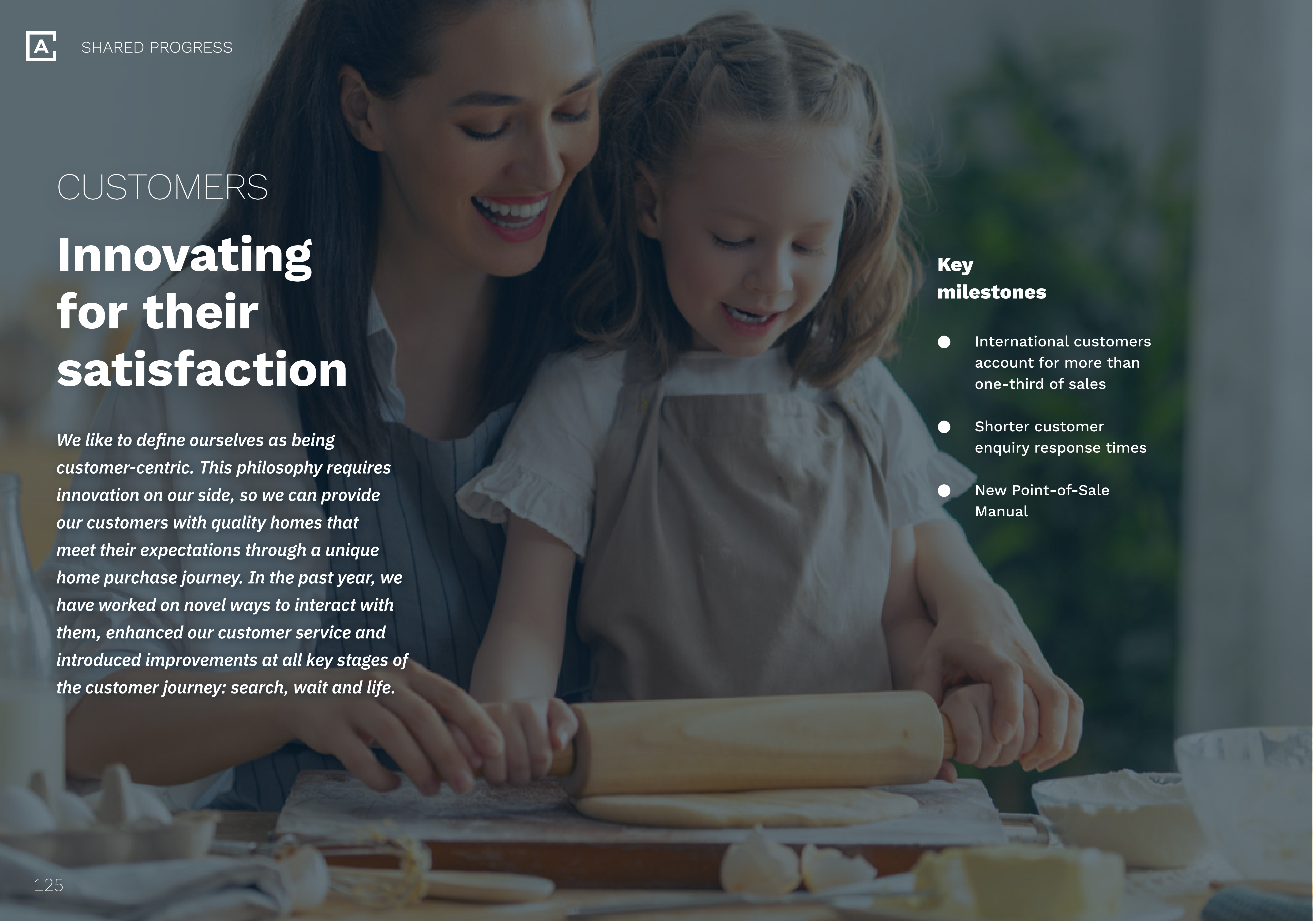
To that end it reaches out to institutional investor proxy advisors to make sure that any voting recommendations they issue are as informed as possible.

Every six months, the IR Department presents the investor community with a report prepared with input from the Finance Department including updates about the company's business and financial performance, among other things. The company presents that report to the market by organising an earnings conference call, duly announced to the market as a price-sensitive notice, so ensuring that all interested parties can participate. The IR Department also provides a brief update on the company's main business and financial developments for the first quarter and first nine months of its fiscal year in the form of a price-sensitive notice and website post.

In addition to its six-monthly earnings reports, the IR Department **participates in events and meetings organised to inform investors and analysts** about the various matters of interest. The **topics that came up most often** at these events in FY 2023/24 were **business or financial in nature**. More specifically, the investment community wanted to know about the company's business performance, the majority shareholder's situation and interest, institutional investor demand for BTR developments, the impact of the new regulations passed by the Spanish government, the trend in demand in the wake of the run-up in interest rates, the situation in the mortgage market, the trend in construction costs, the company's take on house prices at present and looking ahead, the state of supply and demand in the Spanish housing market, the situation in the land and investment market, the nature and origin of overseas demand and the impact of the company's co-investments at the operating and financial levels.

These stakeholders also raised **ESG matters**, expressing a keen interest in affordable housing, the use of sustainable materials and the share of housing with sustainable energy certificates.

Marina Real III (Denia)



CUSTOMERS

Innovating for their satisfaction

We like to define ourselves as being customer-centric. This philosophy requires innovation on our side, so we can provide our customers with quality homes that meet their expectations through a unique home purchase journey. In the past year, we have worked on novel ways to interact with them, enhanced our customer service and introduced improvements at all key stages of the customer journey: search, wait and life.

Key milestones

- International customers account for more than one-third of sales
- Shorter customer enquiry response times
- New Point-of-Sale Manual

Who buys our homes?

Our typical customer is a **middle-aged Spanish couple with children** and mid to upper income levels looking for a three-bedroom home to live in.

It is usually not their first home purchase and they know what they want: high-quality materials and finishes, personalisation options and energy efficiency.

They are financially solvent and have a strong savings capacity.

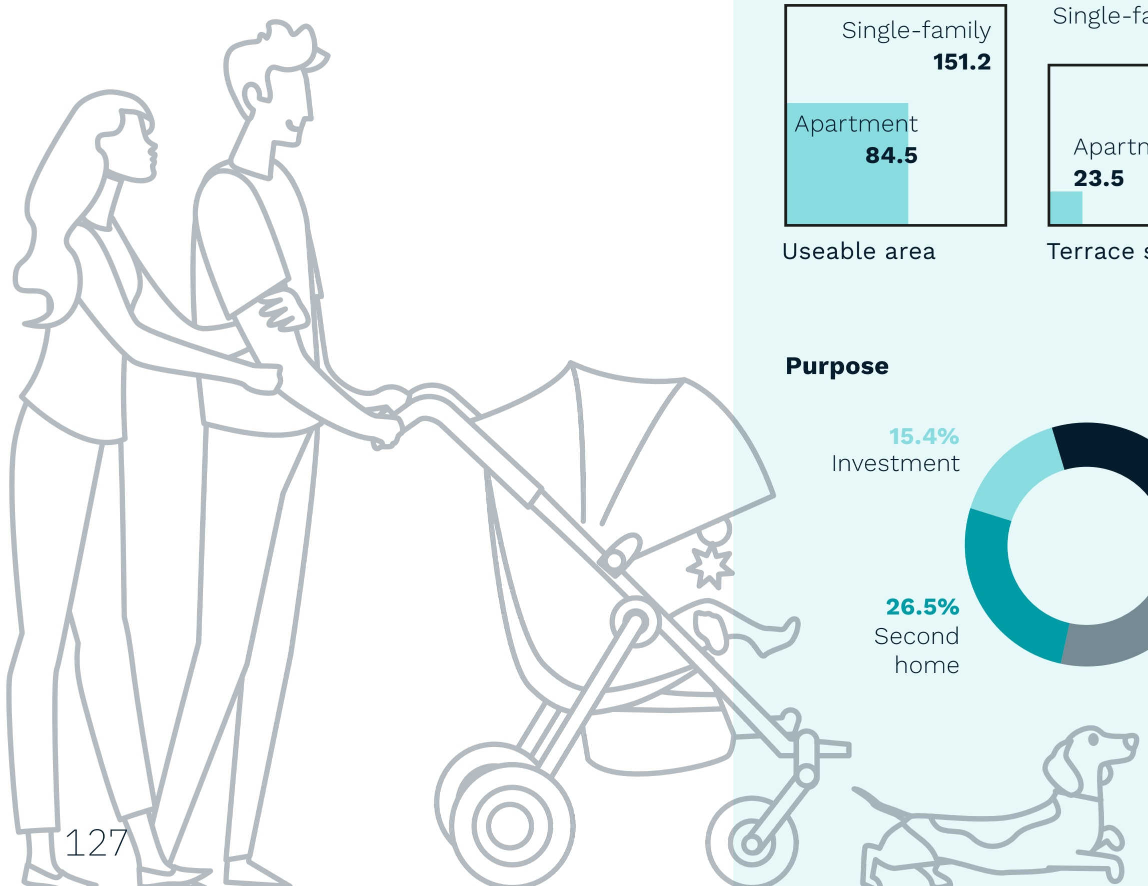
Our typical customer is a financially solvent, middle-aged Spanish couple with children, who values the differential aspects of the AEDAS Homes product

Homebuyer profile in 2023*

Type of home they seek

Typology

Typology	
Apartment	42.5%
Apartment with terrace	27.2%
Single-family	12.3%
Penthouse	9.0%
Ground floor with garden	9.0%



Type of home they buy

Apartment	91.1%
Single-family home	8.9%

Number of bedrooms

5 +	1.1%
4	18.1%
3	46.1%
2	32.0%
1	2.7%

Average floor area. m²

	Useable area	Terrace size
Single-family	151.2	110.3
Apartment	84.5	23.5

Purpose

Purpose	
Investment	15.4%
Primary residence	58.1%
First-time buyers	31.7%
Trading up	26.4%
Second home	26.5%

Who is buying?

How they buy

How they buy	
As a couple	80.3%
On their own	19.7%

Age breakdown

≤24	1.2%
25-34	17.6%
35-44	24.5%
45-54	26.1%
55-64	21.2%
≥65	9.4%

Average age **47.3 years**

How they make their decision to buy

Sales channel origin

OFFLINE	43%
ONLINE	57%

Number of visits to the point of sale until reservation

1	46.5%
2	32.1%
3	14.4%
>4	7.0%

Economic zoom-in

Average starting budget

394,618€

44.2% need financing

Where they come from

International	36.9%
Spain	63.1%

By regions in Spain

Madrid	25.6%
Andalusia	24.8%
Catalonia	12.8%
Valencia	11.2%
Castille & Leon	4.9%
Aragon	4.7%
Navarra	4.7%
Canary Islands	2.2%
Basque Country	1.6%
Balearic Islands	1.4%
Others	6.1%

Across the globe

Western and Central Europe	42%
Eastern Europe	29%
Americas	13%
British Isles	7%
Asia	4%
Nordic countries	3%
Others	2%

(*) 2023 natural year: January to December 2023

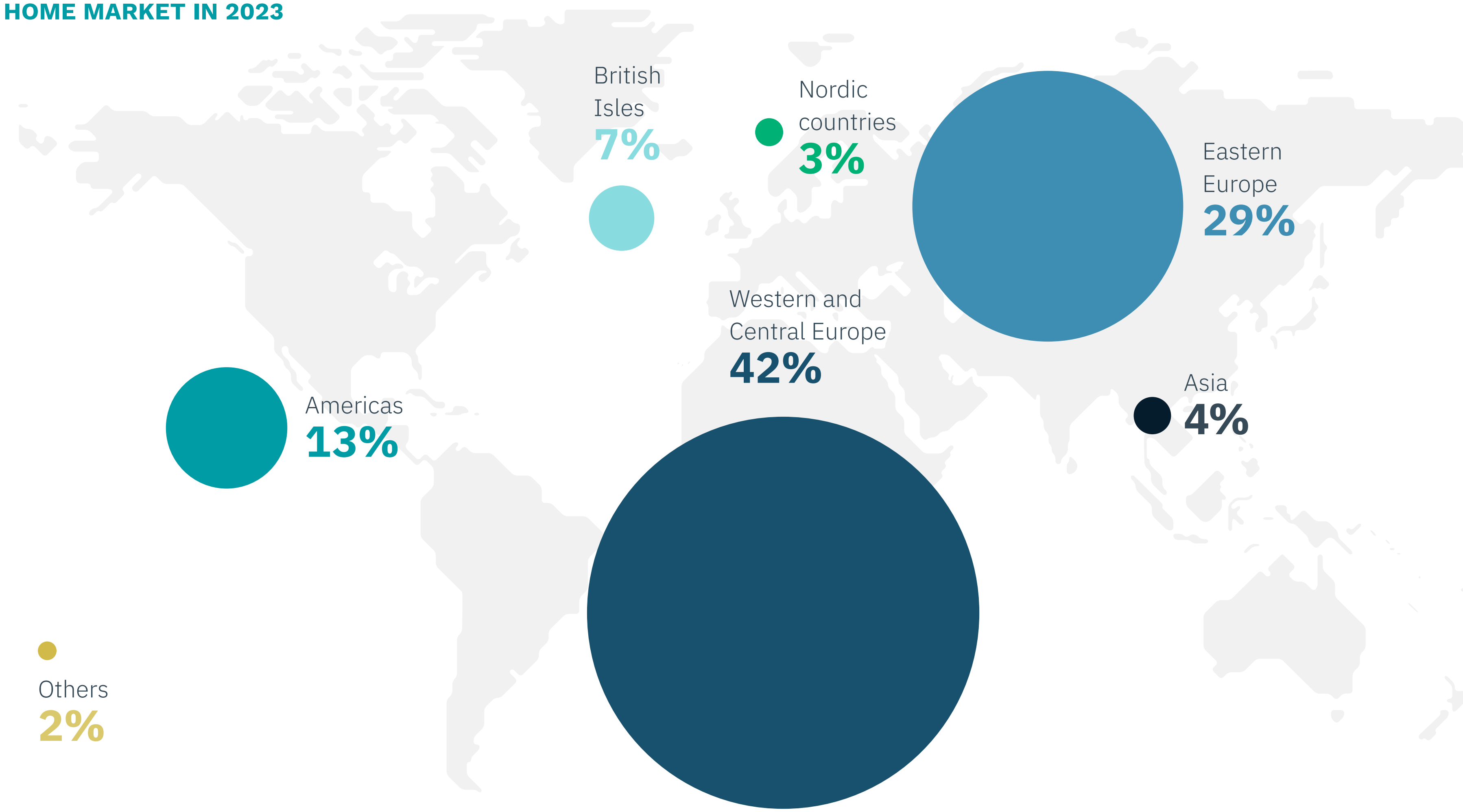
Growing numbers of international customers

Although the **majority of the company's customers are Spanish**, sales to **international buyers have increased** considerably and currently account for over one-third of the total. This customer diversification makes us more resilient in the event of a recession in Spain.

Our international customers come from all over the world and tend to want houses near the beach and convenient to restaurants and leisure choices, such as Costa del Sol, Spain's east coast, the Balearics and the Canaries.

We have specialised sales staff to cater to demand from overseas and products tailored for their needs.

INTERNATIONAL CUSTOMERS BY HOME MARKET IN 2023



Sales to international customers have increased and now account for around a third of total sales, making us more resilient should a recession occur

Increased sales activity among retail investors

We also saw a rise in **retail investors** buying small **bundles of homes in our BTS developments** to put on the rental market and later sell.

These small investors find a reliable travel companion in AEDAS Homes, one who can offer them good-value, durable assets and long-term financial returns.

They usually purchase our homes during the earlier stages of the development sales process and therefore tend to make enquiries about our various launches.

Top-tier institutional customers

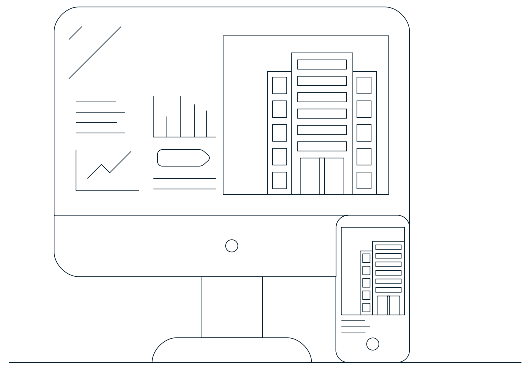
In addition to selling homes to individuals, we **develop turnkey residential projects for institutional customers who then rent them out** (Build-to-Rent, or BTR).

These customers are renowned and solvent top-tier Spanish and international investors who trust us to help them make sound investments.

Since we closed our first BTR agreement in 2019, we have delivered 10 turnkey developments with 1,187 homes to five institutional investors: Avalon Properties, Grupo Lar-Primonial REIM, Lazora, Primevest Capital Partners and Azora.

Omnichannel strategy

We offer our customers an omnichannel experience and the flexibility to switch channels to best suit them throughout the home-buying process. They can browse our website, receive personalised guidance at our points of sale or request information through our call centre.



Website

Over **80% of our buyers** learn about our developments as a result of **online searches**. On the corporate website, www.aedashomes.com, they can get information about our developments, download the dossiers and request additional information. After they have bought one of our homes, they get access to the private area of our website.

Sales network

We have **64 points of sale** spread across our six Regional Branches. They are staffed by an extensive external sales network made up of 100+ expert real estate agents with unparalleled knowledge of the local market. Those establishments include multi-product on-street stores, sales offices erected on-site at our developments and the flagship showroom in Madrid.

Through our sales offices, we attended 33,300+ customers last year.

Call centre

We have a centralised team of specialists who handle customers enquiries through our call centre.

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

About AEDAS Homes

Financial information

Shared progress

Environmental milestones

Corporate governance

+ About this report
+ Data tables

100%-online sales: what we learned

Always looking for new ways to reach our customers, in 2023 we **pilot-tested an online-only sales experience** at our Aborda development (Alicante).

During this four monthslong immersive and multidisciplinary experience, we achieved several pre-sales without the customer interacting live with our staff through any of our legacy channels. These customers experienced a wholly-digital journey, receiving automated responses to their enquiries through the virtual assistant and by email.

One of the great lessons we took away from this experience is the **importance of trust** in the AEDAS Homes brand, as is evident in the fact that users who already know us spend more time on our website, visit more pages and get to the check-out stage more easily.

The data generated by the pilot test also revealed that users take the home purchase decision quicker (under 15 days) online than through the traditional channels.

Lastly, we learned that the virtual assistant is a good way of capturing leads but is not as good at helping with the purchase decision. This decision can, however, be measured through user behaviour via email communication.

Improving each touchpoint on the customer journey

We understand how important the home-buying decision is. That is why, year after year, we work hard to **improve their journey** through the entire process, which can be divided into **three stages: search, wait and life**. In 2023, we invested significantly in technology which has helped us to better understand our customers and surpass their expectations.

Smart searches

During the initial search phase, we innovate to capture customers using **digital tools** (Google, social media, etc.) and **face-to-face meetings** (events, wayfinding, etc.) at our points of sale.

On the sales front, we took a significant step forward by **integrating artificial intelligence (AI) into real-time generation of ads** in Google. These ads are based on the keywords put in by users. As a result, we are generating better responses to user preferences at the time of the search, as well as handling their information requests better.

Once our customers have familiarised themselves with our developments via the website and get in touch with us to arrange a face-to-face visit, we activate our customer welcome protocols so that they feel looked after and listened to.

Next-generation sales venues

In order to improve how we interact with our customers, in 2023 we launched our **Point-of-Sale Manual**, an internal guide that defines and standardises the visual and spatial identity of our sales outlets and the protocols our real estate sales professionals need to follow when receiving our customers.

The points of sale covered by the manual can be categorised among on-site points of sale (located at our developments), on-street points of sale and our flagship store (located in Madrid's Salamanca district).

In all, we have 64 points of sale.

On-site show offices

We have **23 on-site show offices**. We have done away with the traditional prefab construction site office, replacing it with sophisticated next-generation show offices. It is worth highlighting our modular show offices: industrialised and sustainable venues in which customers not only receive information about the development but can also personalise their homes. With a floor area of approximately 100 sqm, they are made up of three modules: one designed as a show office for meeting customers and the other two set up as showrooms with samples, finishes and housing layouts.

At the end of FY 2023/24, the company had installed **seven modular on-site show offices** which were covering 22 different developments.

+ *For further information, refer to "Environmental milestones"*

On-street sales offices

We locate these offices on streets with good footfall. They are well lit and feature large windows. They are located on-site or close to the sites to be developed. As with our other sales venues, the customer service and back office areas are separated. We currently have **41 on-street sales offices**.

Our flagship showroom

Inaugurated in June 2022, our flagship showroom is an **innovative 1,300 sqm space in Madrid's Salamanca district**. Its serves as a point of sale, we well as a place where customers can personalise their homes and touch and feel the materials we use. Thanks to the immersive experience it offers, customers can buy a second home at the beach without leaving Madrid and pick all the finishes right from our showroom by walking through the various 'rooms': a lobby with a 3 sqm video wall, the 360 room, the dream area, bathroom, dressing room, wardrobe and kitchen displays and samples, a living room with an interior design *atelier* and a pilot home.

In 2023, the flagship showroom welcomed **2,700+ visits** between customers, other visitors and event-goers.

Punto de venta Mairena de Aljarafe

Not just a point of sale, but a place to meet up

AEDAS Homes' sales venues are also used to host events. These events have a dual purpose: attracting customer attention and encouraging sales, on the one hand, and strengthening ties with the community, on the other.

Over the course of the year, the six Regional Branches worked really hard to bring their sales establishments to life, organising **106 events** in total. Highlights included the event organised to present the Solum development in Tenerife to the leading agencies, businesspeople and local authorities in June 2023, and the inauguration event for the new Laredo point of sale in Cantabria.

The flagship showroom hosted **21 customer events**, notably including *Madrid is Latam*, organised to introduce the showroom to a selection of embassies and diplomatic services from Latin America to encourage investment in the sector, and El Edén, an immersive experience designed to showcase a number of developments along the Costa del Sol.

Personalisation of the waiting period

The **waiting period**, which spans from when a customer signs a pre-sale agreement until the exchange of deeds, is a critical part of the process of selling a home. During this period, we strive to accompany our customers, clearing up any doubts they may have and guiding them through customisation of their new homes.

We have a team of **specialists** who help our customers make the various choices involved in **personalising their homes, focused on solutions that make them more sustainable and efficient**. We want them to be able to leverage the latest technology and trends to turn their house into a real home. We want them to get the most from our developments' attributes, prioritising functionality and comfort, so that they ultimately love living in their new homes.

Our customers can customise their homes across our points of sale, including our flagship showroom in Madrid.

Standardised protocols

The Point-of-Sale Manual sets out the **protocols** to be followed by the sales professionals working at the company's sales establishments. This document outlines the customer journey, which includes active listening, exhibiting and monitoring.

There are welcome procedures, itemising the questions the salespeople should ask customers during their first visit so as to meet their expectations and requirements and overcome their objections.

AEDAS Homes uses **mystery shoppers** in order to detect possible deviations from or misapplication of our procedures.

Customer service during the life phase

We provide **dedicated customer service throughout the first year after delivery** of our developments in the form of face-to-face and direct assistance from our product quality experts. During this phase we also make sure we uphold all of the legal warranties stipulated in Spain's building code.

During the courtesy visit and exchange of deeds, we provide customers with the **Building Book, Home Guide and User Manual**. The manual contains tips for making their homes as comfortable as possible and for saving energy, in line with our strong environmental commitments.

Nesea (Palmanova)

Safe homes focused on wellbeing

We are committed to developing homes that are safe and healthy to live in, as established in our **Health and Safety Policy**. In addition to complying with currently legislation around the safe use and maintenance of our homes, our architectural plans are designed to ensure our customers' physical and emotional wellbeing and contribute positively to their mental health.

Our **White Book**, the ultimate supplier manual for all AEDAS Homes developments, includes safety, accessibility and comfort specifications and criteria. When designing our developments, we factor in a series of factors that affect the health of the people who live in them: air quality, light, hygrothermal and acoustic comfort, materials, etc.

With continuous learning in mind and with the aim of fostering healthy architecture beyond our scope of intervention, in 2023 we became the Healthy Architecture Observatory's first sponsoring partner.

+ ***For further information, refer to "Imagining the homes of tomorrow"***

Actively listening to our customers

We work hard at AEDAS Homes to understand what our customers need and want so as to fine-tune our residential product offering. That involves collecting data, carrying out surveys and staying constantly in active listening mode.

Responding faster

Once a customer signs a pre-sale agreement, we establish direct contact through our **customer care service**. This service is staffed by qualified professionals who handle our customers' enquiries and complaints through the private area of our website, via email or by phone.

The **nature of the enquiries** fielded tends to vary depending on the stage of the development. Before delivery of our homes, most of the enquiries are technical and relate to progress on the construction work, delivery dates, etc. After the exchange of deeds, and once the customer has moved in, they tend to relate to incident management.

In FY 2023/24, we **managed a total of 18,852 enquiries** related with all stages of the development process, from booking to after-sales, providing an average response time of 1.7 days. Despite a **rising volume of enquiries**, in tandem with the growth in sales and deliveries year after year, we have managed to **shorten response times** over the past year.

During the year, we managed a total of 18,852 enquiries related to all stages of the development process, and in the process, reduced our average response time to 1.7 days

CUSTOMER ENQUIRIES

	2021/22	2022/23	2023/24
Number of enquiries received	8.079	15.638	18.852
Average response time (*)	3.0 days	2.4 days	1.7 days

*Data as of 31 March regarding enquiries that have received a response

Customer claims management

Customer claims are managed digitally. When we receive a claim, the Customer Experience Manager assigned by the Regional Branch makes **initial contact with the customer within no more than one day** to inform them of who is in charge of handling their grievance and putting them at ease. That Manager then analyses the issue underlying the claim with the professionals involved and provides the customer with a response within 10 days at most.

We **classify incoming claims according to number of variables**, most notably the maturity of the customer's relationship with AEDAS Homes: claims received pending home delivery (waiting phase) and claims received after delivery (life phase).

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

The Customer Experience Department **handled 1,322 claims** in FY 2023/24, which is more than the year before but **in line with the growth in accumulated sales and deliveries**. Despite the growth in claims volumes, the team managed to slightly reduce the average response time.

CLAIMS

	2021/22	2022/23	2023/24
Claims	600	735	1.322
Resolved	551	655	1.136
In process	49	80	186
Average response time	3.4 days	3.5 days	3.4 days

Satisfaction surveys

We want to know what our customers think of us since their feedback helps us do better. That is why we send **customer satisfaction surveys to all our customers at key points** during the customer journey, in line with our **Homeowner Survey Procedure**.

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

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

For the last survey, customers are asked to rate the condition of their home, the care received and our brand image. The mostly highly rated aspects include:

- Our designs, particularly in common areas
- The standard of service received from the AEDAS Homes teams
- Building standards and material quality
- The condition of the overall development and homes during the first visit
- Value for money.

Data analysis

We track customer data and interactions to better gauge their interests and improve our residential product offering. That information is compiled into a database that houses all of the company's know-how, which enables us to take decisions faster, based on the most relevant indicators, and minimise potential errors.

Our **data analytics** effort also give us a better understanding of unfolding market trends, allowing us to fine-tune our development designs and factor in new demands.

Data privacy

Our **cybersecurity platform** is designed to ensure we keep our **customers' data private**. It is articulated around the provision of 24x7 monitoring and defence data protection, incident and permission management and automated evidence generation for audit and compliance purposes, all framed by our ITC Security Policy.

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

In FY 2023/24, we continued to carry out **regular internal and external security audits, vulnerability assessments and penetration testing** of our systems, products and practices that affect user data.

Furthermore, as **educating and training employees** is one of the key pillars of our **cybersecurity strategy**, we continued to offer courses on best practices in cybersecurity last year.

OUR PROFESSIONALS

The talent driving our growth

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

Key milestones

- ESG target included in our short-term variable remuneration model
- ESG metric included in our long-term incentive plans
- Renewed certification as a Great Place to Work
- Participation in 78 young talent events

Employment and diversity

At 31 March 2024, we employed 311 people across our head offices in Madrid, our six Regional Branches and the two offices from which AEDAS Homes Living and Live Virtual Tours operate.

Our team is the force behind our sustained growth and innovation. That is why are committed to providing them with meaningful and stable work: 98% of our employees are on permanent contracts.

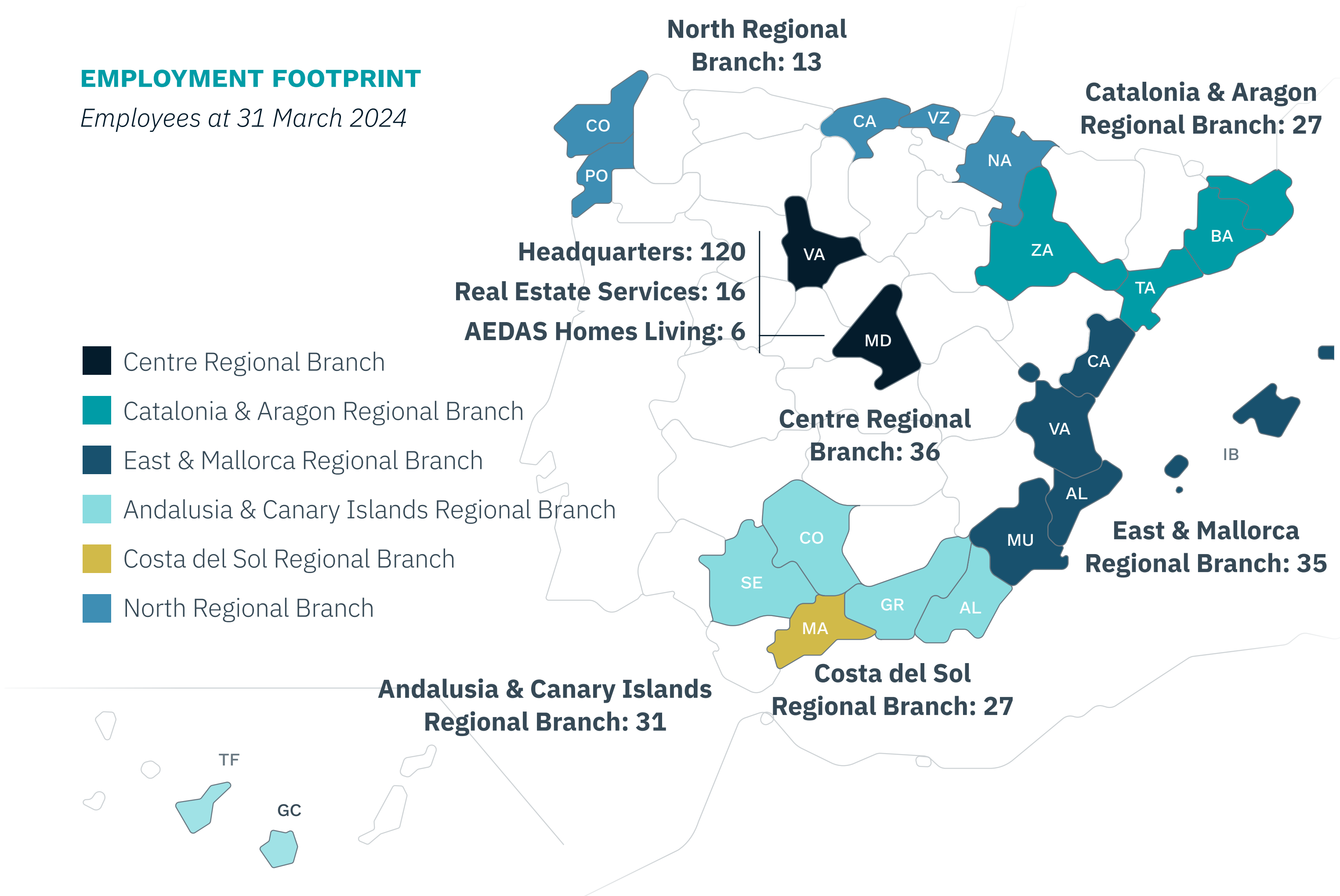
45 people joined the company in FY 2023/24.

HEADCOUNT BREAKDOWN BY AREA

	2022/23	2023/24
Headquarters	119	120
Centre Regional Branch	34	36
Catalonia & Aragon Regional Branch	27	27
East & Mallorca Regional Branch	31	35
Andalusia & Canary Islands Regional Branch	30	31
Costa del Sol Regional Branch	22	27
North Regional Branch	16	13
Real Estate Services	13	16
AEDAS Homes Living	6	6
LIVE Virtual Tours	4	0
TOTAL	**302**	**311**

EMPLOYMENT FOOTPRINT

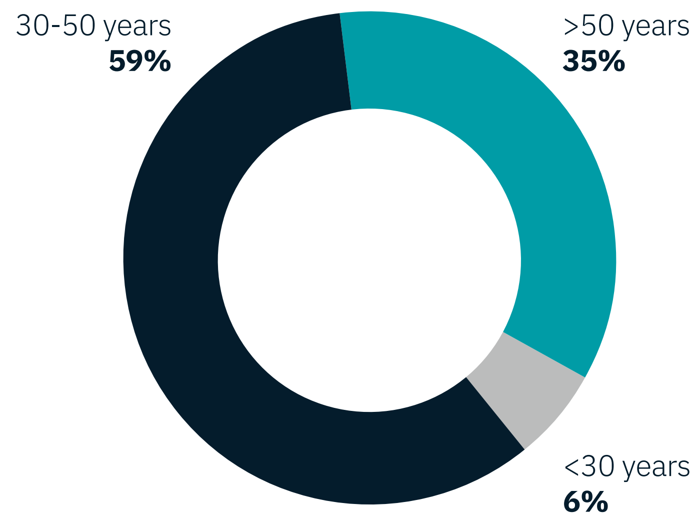
Employees at 31 March 2024



Our professionals are experienced and dynamic. Their average age is 45.

HEADCOUNT BREAKDOWN BY AGE

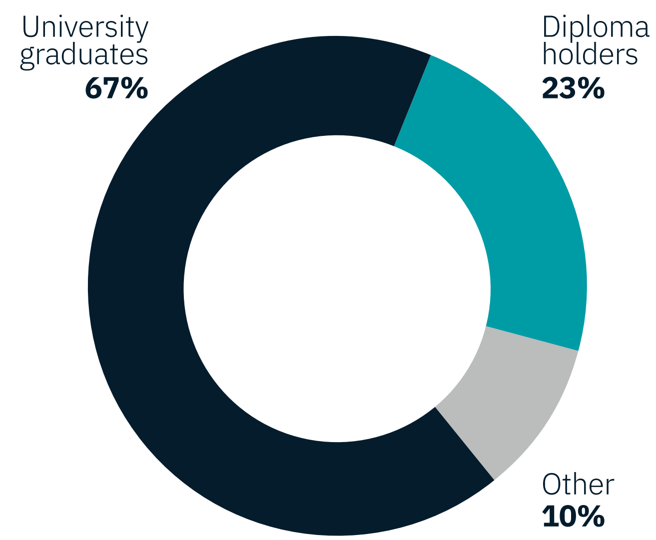
Percentage



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

HEADCOUNT BREAKDOWN BY LEVEL OF STUDIES

Percentage



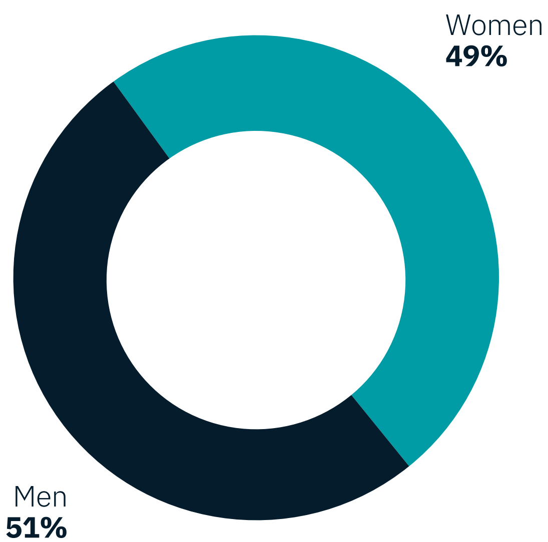
We are committed to providing meaningful and stable work: 98% of our employees are on permanent contracts

Framed by our commitment to gender diversity, men and women are equally represented in our headcount: 49% are women and 51% are men.

In line with our commitment to diversity, two people with a disability were working for AEDAS Homes at 31 March 2024, the same number as in the previous year.

HEADCOUNT BREAKDOWN BY GENDER

Percentage



GENDER DIVERSITY

	2022/23	2023/24
Female employees	151	153
Female Board Members	2	2
Female Executives	10	11

Framed by our commitment to gender diversity, men and women are equally represented in our headcount: 49% are women and 51% are men

DESCRIPTION OF THE MEASURES TAKEN TO INTEGRATE EMPLOYEES WITH DISABILITIES

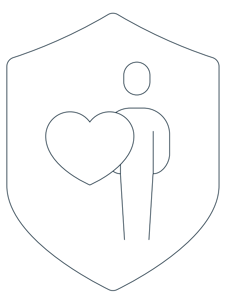
The company has taken a series of measures to integrate its employees with disabilities.

- **Head office location:** at street level, with adapted entrances and lifts compatible for people with any form of disability.
- **Total flexibility around working hours:** they have been told they should feel free to leave work if they are suffering from pain and to arrange medical appointments whenever needed and no matter how unforeseen the need.
- **Adaptation of the workspace:** depending on the specific needs of each individual, we eliminate any barriers or risks that could impede their performance (for example, we purchased an adapted trolley needed by one of our employees with disabilities).
- **Internal and external training:** our employees with disabilities can request the training they believe can help them settle in at work, including training to increase their knowledge and/or skills to facilitate their career development.
- **Personalised care:** they have access to a multidisciplinary team which includes a psychologist, an educator and a lawyer, who are there to facilitate their inclusion in the company and become part of its culture and values. In short, they are there to help them with any issue of concern, protecting their privacy and making sure they feel integrated into the AEDAS Homes team in the broadest sense.

Management approach to human resources

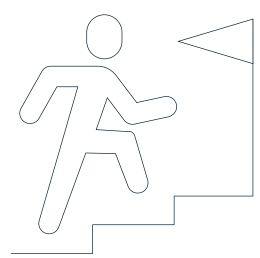
Our employee commitments are set down in our **ESG Policy**, which is managed and put into practice by our Corporate Resources Department.

OUR COMMITMENTS TO OUR EMPLOYEES



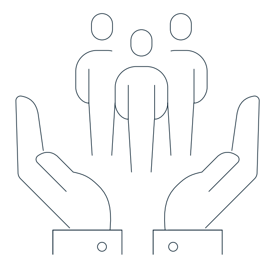
Health, safety and wellbeing

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



Career development

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



Equal opportunities and diversity

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

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

We are firmly committed to respecting the principles of fair treatment, non-discrimination and equal opportunities in all recruiting and selection processes. To that end, last year we expanded our **Protocol for the Prevention of Workplace and Sexual and/or Gender Harassment** to layer in the protection of sexual orientation and gender identity.

Collective bargaining agreements

100% of our employees are covered by the office workers agreement in force in each region. In FY 2022/23, coverage by those office worker agreements was 99%, with the remaining 1% covered by the consultancy, market studies and public opinion sector agreement.

AEDAS Homes' employees are not unionised.

People management

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

Talent attraction and career development

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

As soon as candidates are hired, we start to nurture a sense of belonging thanks to an **onboarding system** designed to facilitate rapid integration of the newcomers with the rest of the team. As part of that process, someone from the Corporate Resources team, in the case of head office hires, or the Office Manager, in the case of Regional Branch newcomers, welcomes the new employee and introduces them to the rest of their colleagues, who give them a tour of the offices, get them all the IT clearances they need for their jobs and show them the corporate intranet so they learn how to find all the company information they may need. Monthly, the Human Resources Department organises an after-work welcome event for new hires, inviting their bosses, colleagues and team members.

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

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

In FY 2023-24, we **promoted six employees and another seven switched to new roles at the company**, in a testament to our employees' hard work and our talent management and training programmes.

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

In FY 2023/24, 30 employees participated in two of those workshops.

Fair pay

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

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

In FY 2023/24, we **analysed our gender pay gap**, finding that: at the executive level, men and women enjoy virtually the same pay. In both our middle management and technical positions, the pay gap is around 14%. In administrative positions, the gender pay gap is minimal, at 6%, and in sales, our female employees earn 5% more than their male counterparts.

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

COMPANY BENEFITS PAID BY AEDAS HOMES

Private health insurance

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

Private life insurance

We provide employee death and disability coverage.

Flexible remuneration

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

Company car and fuel card

The company provides a select group of executives with company cars and has a pool of cars for jobs involving driving.

Loyalty club

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

Gifts for hospital stays

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

Gift for the birth of a child

All new parents receive a gift basket.

Funeral wreath for death of family member

At times like these we want our employees to feel our empathy.

Parking

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

Variable remuneration tied to an ESG target

Once again in FY 2023/24, an ESG target was included in the company-wide variable remuneration scheme, related with **percentage of our developments with AA energy efficiency certification**. That measure helps integrate ESG considerations into our procedures and improve our performance.

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

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

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

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

For further information, refer to the **Annual Report on Director Remuneration for FY 2023/24**, which can be downloaded from the company's website.

+ For further information, refer to "Governing bodies"

Including an ESG target in our remuneration model helps integrate environmental, social and governance considerations into our procedures and improve our performance.

Professional training

Our commitment to our professionals' continuous development materialises in the provision of quality training. We **invested €243,596** in training in FY 2023/24.

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

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

In FY 2023/24, that training effort translated in 61 **training events** entailing 8,521 hours of training, provided by **first-class external professionals**. We also provided 13,641 hours of in-house **training** around **young talent** programmes during the year.

In parallel, we have a digital platform for the provision of specific courses targeted at all employees covering **regulatory and compliance matters**; 885 hours of training were imparted through that platform in FY 2023/24.

At AEDAS Homes we offer employees ongoing professional development and focus on high-quality training,with €243,596 invested in the past year

TRAINING: HOURS AND INVESTMENT

	2022/23	2023/24
Total training hours	14,220*	23,047
Hours of training per employee	47	74
Total invested in training (€)	220,367	243,596

TRAINING BY JOB CATEGORY

	2022/23		2023/24	
	No. hours	Average	No. hours	Average
Executives	1,407	27	1,881	34
Middle managers	2,002	27	4,977	68
All other employees	10,811	61	16,189	88

TRAINING BY GENDER

	2022/23	2023/24
Men	4,653	11,138
Women	9,567	11,909
Total	**14,220**	**23,047**

*Note that the hourly figures provided in the FY 2022/23 Integrated Annual Report, which were reported as 15,005 hours, have been corrected as that figure included hours that did not correspond to that financial year.

TRAINING PROVIDED IN FY 2023/24

Masters-level and executive courses

- Directors Programme
- Executive Development Programme
- Advanced Programme in Real Estate Sales
- Programme in Planning and Regional Studies
- Advanced Programme: How to Stand Out in Real Estate Development
- Master of Real Estate (MDI)

Management skills

- Coaching
- Speaking in Public
- Negotiation Skills
- Keys to Building Confidence

Digital skills

- Advanced, Medium-High and Medium Excel
- Power BI
- Expert in Microsoft Azure IA Machine Learning
- Web Development Course with React JS
- Sharepoint

Technical skills

- Technical Training on Town Planning and Land Management
- Real Estate Specialisation Programme
- Cash Management
- High Level Course on Labour Law
- Management Control
- Corporate Finance
- Financial Statement Analysis
- Project Management Specialisation Programme
- Ecoliving for Salespeople in Andalusia
- Photovoltaic Energy
- Company Protocol
- Higher Course in Neuroarchitecture
- Corporate Finance and Alternative Sources of Financing
- Strategic Management and Document Management
- Advanced Contracting Course
- Financial Modelling

Mandatory training

- Anti-Money Laundering and Financing of Terrorism training
- Health, Safety, Quality and Environment
- Code of Conduct
- Equality
- Anti-Corruption
- Business Continuity Management System
- Cybersecurity
- ESG
- Compliance and GDPR

61 training actions in the year, totally 8,521 hours

One of the milestones of FY 2023/24 was the provision of ESG training to all managers on matters related with leadership (such as the “Keys to Building Confidence” course).

This training effort, which takes place face-to-face, boosts manager awareness around sustainability matters by giving them tools to manage their people better, with the ultimate goal of enriching the workplace climate.

The provision of training around leadership topics began in 2021 when all managers completed a number of modules. One of the topics addressed during those sessions is how to monitor team performance. This initiative continued in FY 2023/24, when leadership training was provided to 85 managers. This programme was ongoing as of April 2024.

TRAINING IN LEADERSHIP MATTERS

	2022/23	2023/24
Hours	448	1,360
No. of people trained	64	85

One of this past year’s milestones was the provision of Leadership Training for all managers at AEDAS Homes

Committed to young talent

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

Eleven graduates took part in those programmes in FY 2023/24. Of all the employees participating in the those programmes to date, 78% stayed on at the company.

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

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

Internships

For the sixth year in a row, in FY 2023/24, we collaborated with the work practice programme for students of the real estate degree course at UPM, Madrid’s Polytechnic University, to foster job opportunities for talented youths. Every year we take in one of those students for a 6-month internship so they can see how a real estate developer operates for themselves. Those interns do work practice at the Centre Regional Branch and round out their training by rotating through a number of different company departments. During the five years we have been collaborating with this university, 60% of the interns have been hired at the company.

Helping young people get ready for the world of work

In parallel, our executives, including members of our Steering Committee, participated in 78 events, including debates and training courses, with the aim of sharing their experiences with the upcoming generations and improving their job prospects. Those initiatives included participation in mentoring programmes, teaching at a number of third-level education centres and coaching sessions.

Equal opportunities and non-discrimination

We are convinced that creating and nurturing a diverse and inclusive workplace will help deliver our corporate targets. To that end we continue to implement a range of measures, as set down in our Equality Plan, for bolstering gender diversity at the company:

- **Review of job offers and employment contracts to eliminate any gender bias.** Every year we verify a random selection of published job offers to make sure there is no implicit discrimination in them. We likewise check employment contracts to ensure they contain no gender bias.
- **Review of the terms and language used in all job listings:** all of the positions held by our employees have been reviewed to ensure they are inclusive and do not imply any gender bias. In FY 2023/24, we also reviewed all of our job descriptions and ensured that any new descriptions meet our equality criteria.
- **Follow-up interview with new hires:** new hires are interviewed one week, one month and one year after their hire to generate feedback about the perceived recruiting and on-boarding processes. That allows us to take corrective action as required.
- **Exit interview:** we conduct an exit interview during the week after any of our professionals resigns. That allows us to take corrective action as required.
- **Women's Day:** we marked International Women's Day with an internal campaign under the slogan Talent is Genderless, with the aim of highlighting how valuable our talent is to us irrespective of their gender. We also hosted an event organised by EJE&CON at our flagship showroom which addressed equality in the world of communication.
- **Training on equality and the prevention of workplace and sexual and/or gender harassment:** we organised two training courses, one on each topic, which were provided to all employees and continue to be imparted to new hires. The first addresses the importance of equality in the workplace and provides information about AEDAS Homes' Equality Plan. The second talks about the importance of preventing workplace harassment and the protocol in place at the company.

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

- **Ensuring our offices are accessible at street level or in locations without architectural barriers:** We ensure accessibility for persons with disabilities. Whenever possible we locate our offices on the ground floor for easier access. Likewise, several of our Regional Branches have adapted entrances and wheelchair-friendly lifts.
- **Collaboration with Prodis:** We work with the Prodis Foundation's job centre for the employment of people with disabilities on the production of corporate materials.

We are aware that the right mix of experience and youth is necessary at the company, which is why in March 2019 we adhered to the Generation & Talent Observatory's Code of Generational Diversity Practices. We are also part of that organisation's Business Network. That taskforce's mission is to generate a pool of know-how and good practices around active generational diversity policies. One of the ways we collaborated with the Observatory was to provide our facilities to host its workshop on generational diversity.

We also participated in a number of events addressing diversity through different lenses (LGTBIQ+, generational, capabilities, etc.), all of which with the aim of creating an exemplary diverse place to work. All HR Department staff are receiving diversity training.

In FY 2023/24 we also rolled out a series of measures in support of the LGTBIQ+ community within our organisation. The company made its commitment to the LGTBIQ+ community public by means of its Diversity and Inclusion Manifest.

Work-life balance

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

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

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

Work-life balance is a key priority for the company

WORK-LIFE BALANCE MEASURES

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

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

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

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

RIGHT TO DISCONNECT FROM WORK

Meetings are scheduled to end before 6pm whenever possible.

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

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

We offer a number of flexibility and work-life balance initiatives in response to employee feedback received through the Great Place to Work surveys

Absenteeism

The **absenteeism rate** was calculated by dividing the number of hours of absenteeism by the average workforce times the total number of hours worked. In FY 2023/24, the number of hours lost to the inability to work totalled 21,888.

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

ABSENTEEISM

	Hours lost		Rate of absenteeism	
	2022/23	2023/24	2022/23	2023/24
Workplace injury	608	0	0.1%	0.0%
Common illness	9,152	9,928	1.7%	1.8%
Maternity/paternity leave	8,800	11,960	1.6%	2.2%
Total	**18,560**	**21,888**	**3.4%**	**4.0%**

Sense of belonging

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

- **Model Employee Awards**
  Each year the company rewards the employees voted by their peers as the best ambassadors for the following company values: enthusiasm for learning, adaptability to change, integrity and best manager. In their 5th edition, a total of 25 employees across the company have received this prize to date.

- **Christmas dinner and summer after-work event**
  All employees spend a day together before Christmas. Before the summer holidays, we also organise a fun after-work event in Madrid so employees get to know each other better, fostering a sense of belonging. Seasonal gift-giving (bottles of wine, phone stands and cups, for example) also sends the message that the company cares.

- **Celebration of targets**
  We want to recognise our employees' achievements. Each department head sets two milestones for their teams for the year ahead which are celebrated when they are met.

- **Participation in philanthropic work**
  All employees are offered the chance to participate in charitable activities as volunteers, like the Race Against Cancer, at no personal cost.

- **Physical and mental wellbeing programme**
  Encompassing a series of initiatives including: Health Week, Road Safety workshop and campaign, a mindfulness workshop, Healthy Cities challenge, monthly health campaigns, medical check-ups, flu shots and a physiotherapy service at work. In all, we organised eight activities in FY 2023/24 in which 54% of our employees participated.

- **Health & Safety Awards**
  Each year the company names the best-managed development in health and safety terms. Last year's winner was the Balmis development in Alicante. The prizes go to the developments' manager and technical architect at AEDAS Homes and to the project manager and health and safety coordinators, who are employees at external partner firms. In addition, the Regional Branch in question gets to select an NGO for a donation of €3,000.

Digitalisation designed to lift employee productivity and satisfaction

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

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

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

Our approach to managing our people has made us a benchmark place to work. For the third year in a row, we have been named a **Great Place to Work** in Spain's real estate sector. In 2023, we obtained a score of 72, up from 68 in 2022.

Results of the Great Place to Work Survey

- **90%** of our employees reported feeling proud of the AEDAS Homes team.
- **82%** said they felt pride when telling someone they work at the company, up 8 points from the year before.
- **79%** said they enjoy their work at AEDAS HOMES.

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

In the wake of the results of the GPTW and other employee surveys and suggestions provided by our employees through these channels, in FY 2023/24, we launched **"We are Talent"**, a programme created to motivate and retain our internal talent.

"We are Talent" encompasses a range of initiatives from inter-departmental events, talks, training programmes, celebrations and much more.

Last year we launched a new talent programme, "We are Talent", created to motivate and retain our employees.

Under the umbrella of this new programme, we have already carried out the following initiatives:

- Leadership training for all of our managers.
- Job description updates to better reflect the reality of each position.
- Introduction of quarterly departmental meetings.
- Two-way generational mentoring programme.
- "Learn+" events to give employees the chance to explain their major initiatives to the rest of the company.
- Creation of the internal ambassador figure. These ambassadors' mission is to ensure all employees embrace our corporate targets and are aligned with AEDAS Homes' strategy.
- "HR at your side", an initiative created to make sure our employees can ask for help in the event of personal and/or professional problems.
- Celebration of a company-wide Christmas dinner and summer after-work event.
- Loyalty club with special discounts for employees.
- Special events for different central departments with staff located in the various Regional Branches comprising team meetings and team-building activities designed to strengthen bonds and improve professional relations within our matrix structure.

Workplace health and safety

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

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

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

Occupational Health and Safety Management System

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

To date, **98.4% of our employees fall under the scope of that certified management system.** The scope of the management system reach 100% in FY 2024/25.

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

Injury targets and results in FY 2023/24

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

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

There were **no lost-time injuries in FY 2023/24.**

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

INJURY STATISTICS*

Indicators	2021/22	2022/23	2023/24
Lost-time injuries (total)	**0**	**2**	**0**
Men	0	1	0
Women	0	1	0
Fatalities	**0**	**0**	**0**
Injury frequency rate (total)	**0**	**3.07**	**0.00**
Men	0	3.07	0.00
Women	0	3.07	0.00
Injury severity rate (total)	**0**	**0.09**	**0.00**
Men	0	0.17	0.00
Women	0	0.01	0.00
Injury incidence rate	**0**	**6.60**	**0.00**
Workplace-related illnesses	**0**	**0**	**0**

(*) Includes lost time due to Covid

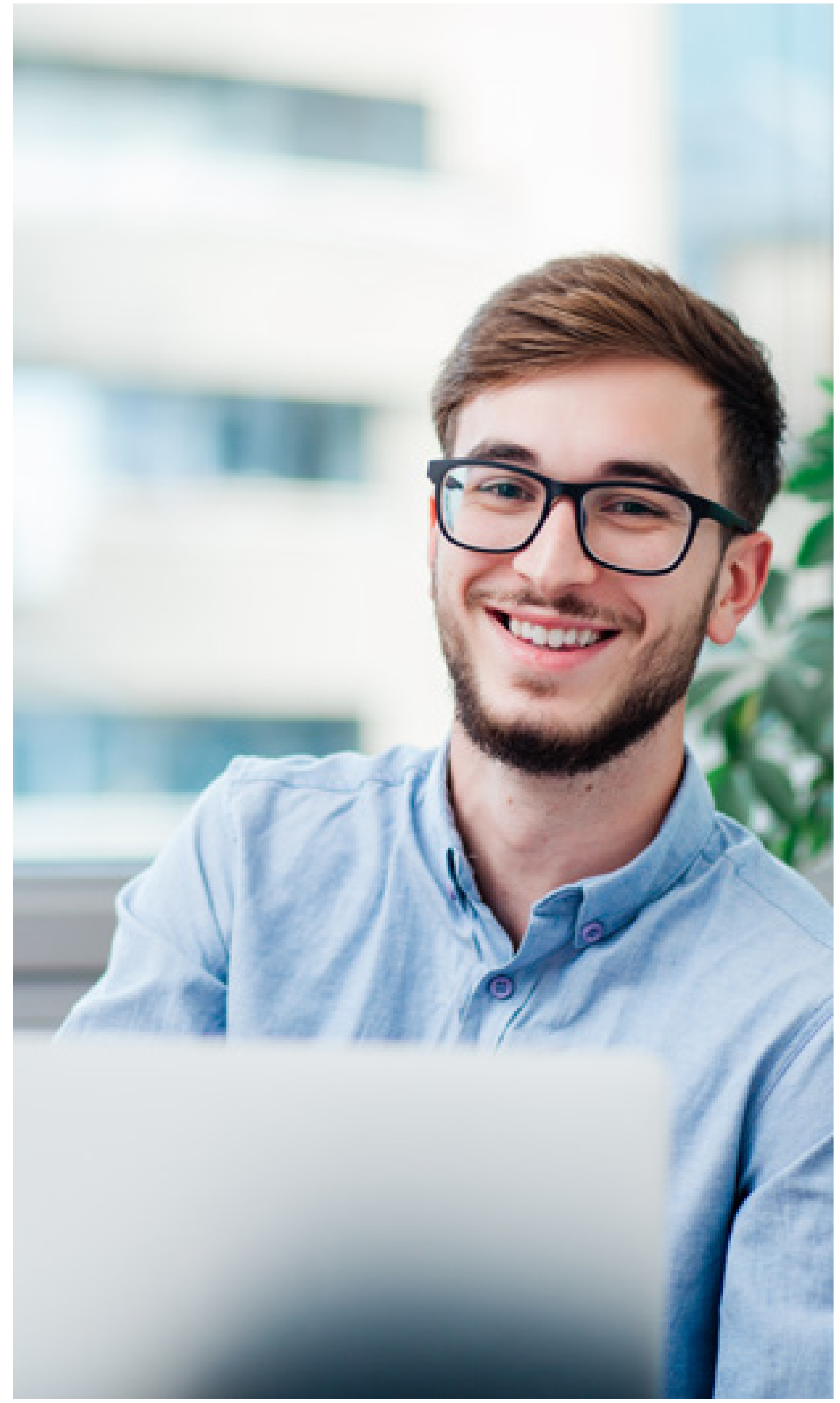
Monitoring

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

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

AEDAS Homes' Health and Safety Committee has the following **duties:**

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



Our Health and Safety Committee oversees and monitoris our Health and Safety Programme

Health and safety at AEDAS Homes

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

That risk assessment informs our line-up of preventive activities for eliminating or minimising workplace risks. We have also implemented operational control programmes in order to check that working conditions remain optimal over time.

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

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

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

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

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

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

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

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

The risk assessment we carry out at all our workplaces and for all jobs informs our line-up of preventive activities for eliminating or minimising workplace risks.

Employee training on health and safety at work

Training is one of the pillars of our health and safety management system and is key to unlocking continuous improvement. In FY 2023/24, we continued to **provide health and safety training to all employees.**

We control where and when all employees take their required courses.

Last year we also organised an in-person mindfulness workshop with MC Mutual.

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

Emergency measures

Emergency procedures are clearly defined at all AEDAS Homes workplaces, where we appoint and train emergency squads and we carry out **drills** annually to check the efficiency of those procedures and suggest how they could be improved.

Stakeholders

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

+ For further information about our stakeholders, refer to "Shared progress"

In parallel to our health and safety training effort, we publish related news and other items on our social media handles regularly

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

Below is a list of the **health and safety activities** and communications carried out in FY 2023/24:

- Knowledge pills on the Employee Portal:
  - AEDAS Homes looks after you every month (shore up your defences, quit smoking, emotional wellbeing, post-holiday blues, sleep better, be happy at work, etc.)
- Road safety
- Healthy Week
- Healthy Cities
- Workshops:
  - In-person mindfulness workshop
  - Workshop on exercising from your desk chair
- Annual Assembly
- Health and Safety Awards
- Health and Safety Committees

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

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

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

Legal requirement identification and assessment

In FY 2023/24, we **analysed developments in health and safety requirements** to identify the need for any policy or procedure updates. That assessment is carried our periodically using the SALEM platform and **did not detect any anomalies** in FY 2023/24.

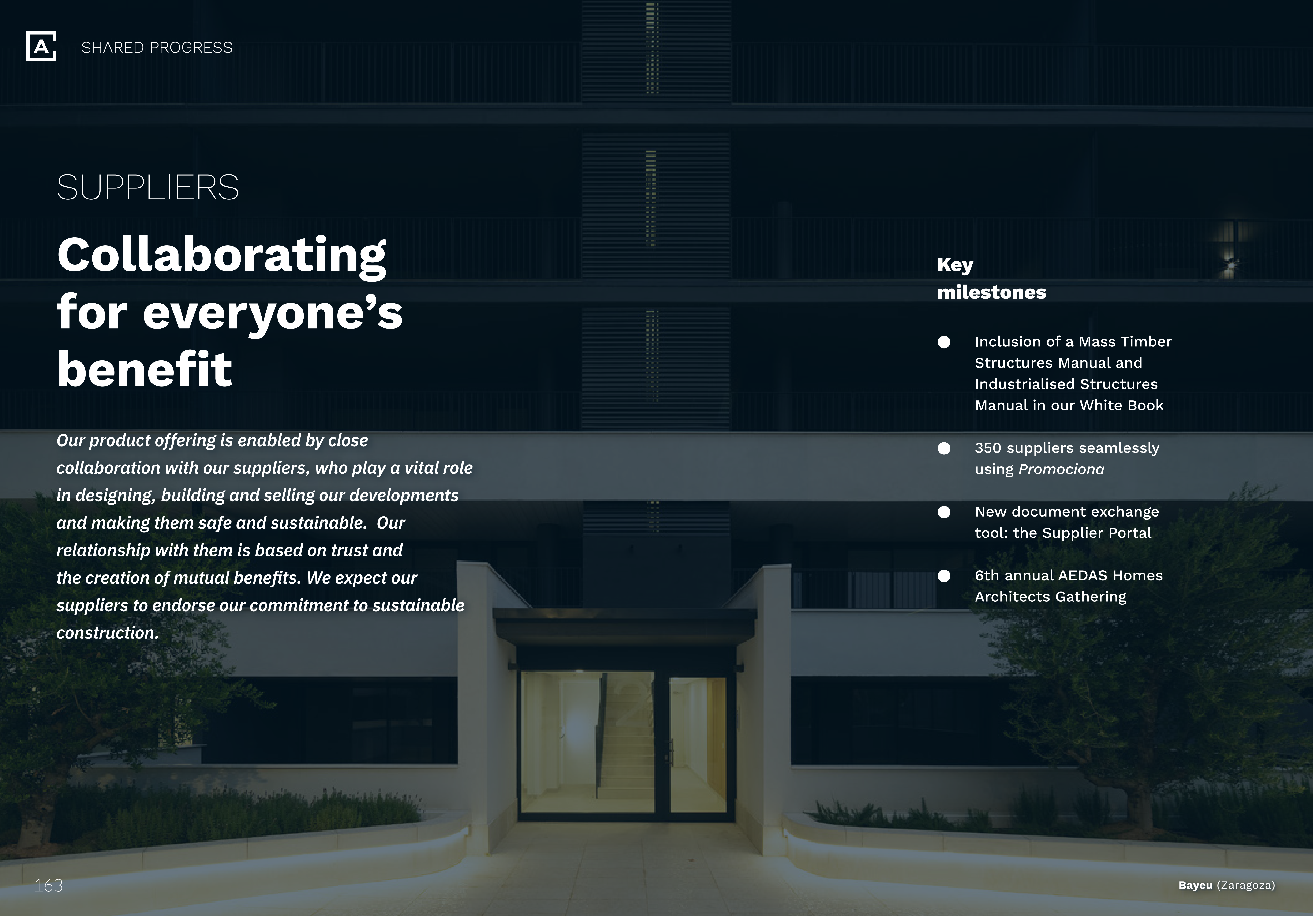
The assessment of our legal requirements is set down in two different documents: one for offices and one for construction sites, as their respective requirements are starkly different.

Internal, external and legal audits

In June 2023, our health and safety management system was **re-certified by AENOR**, which did not detect any incidents. The legal audit also took place that month.

Neither our internal system audits nor our external audit uncovered any incidents. The latter was conducted by Bureau Veritas in May 2023.

No anomalies were detected during the internal and external audits of our Health and Safety Management System in 2023



SUPPLIERS

Collaborating for everyone's benefit

Our product offering is enabled by close collaboration with our suppliers, who play a vital role in designing, building and selling our developments and making them safe and sustainable. Our relationship with them is based on trust and the creation of mutual benefits. We expect our suppliers to endorse our commitment to sustainable construction.

Key milestones

- Inclusion of a Mass Timber Structures Manual and Industrialised Structures Manual in our White Book
- 350 suppliers seamlessly using *Promociona*
- New document exchange tool: the Supplier Portal
- 6th annual AEDAS Homes Architects Gathering

Bayeu (Zaragoza)

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

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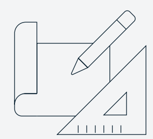
Supplier overview

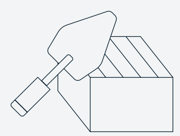
Here at AEDAS Homes, we work with a select number of prestigious partners with a proven track record based locally in the areas where we operate. These partners have demonstrated their **quality, their fit with our company and their execution capabilities** during these first few years in business, having joined our supply chain after due certification.

A high percentage of these suppliers are considered **critical**. That means they play key roles across the different stages of the residential development process and their work has a decisive impact on our developments and how they are perceived by our customers.

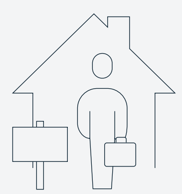
Critical suppliers are classified into **six categories**: architecture firms, contractors (or construction companies), construction execution oversight teams, real estate sales companies, Health and Safety Coordinators and sustainability consultants.

SIX TYPES OF CRITICAL SUPPLIERS


Architecture firms


Construction companies


Construction execution oversight teams (DEOs)


Real estate sales companies


Health and Safety Coordinators


Sustainability consultants

SUPPLIERS AND DEVELOPMENTS IN FY 2023/24

	Number of suppliers	Number of projects
Architecture firms	51	**154**
Construction execution oversight teams (DEOs)	58	**151**
Construction companies	34	**142**
Sales companies	16	**169**
Health and Safety Coordinators	37	**58**
Sustainability consultants	3	**58**

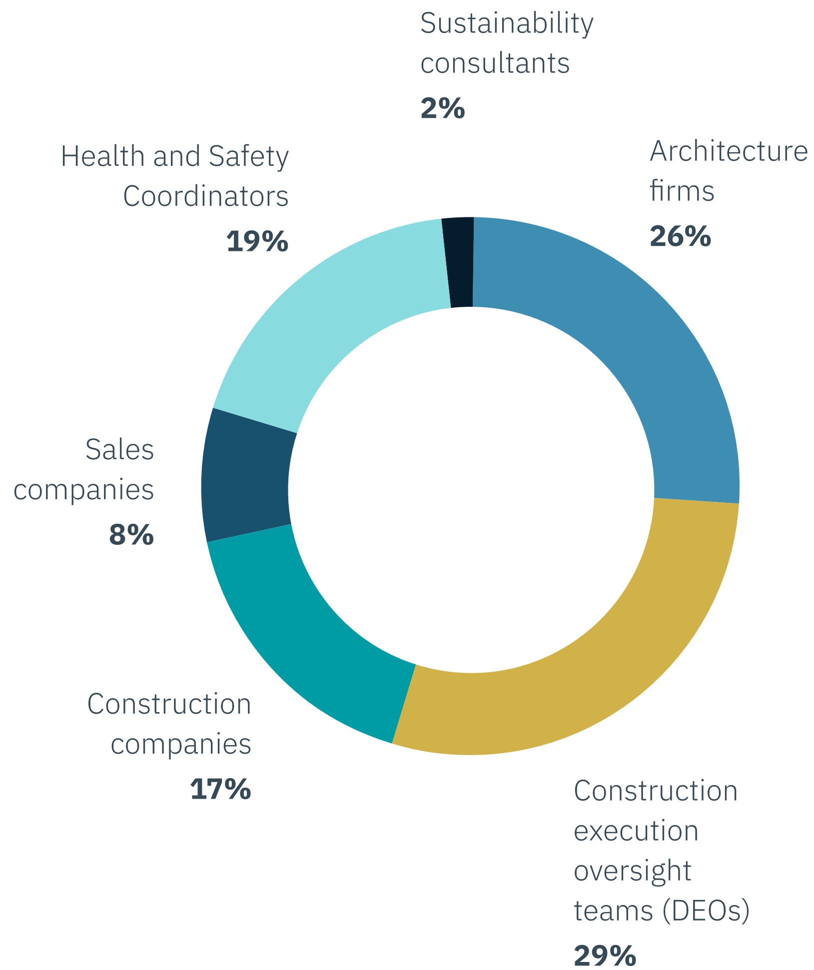
We work with a select number of certified critical suppliers who have demonstrated their quality, fit with the company, and execution capacity

Around two-thirds of our developments are handled by **architects of recognised prestige** and most of our construction work is carried out by a select and established group of contractors.

With the aim of containing construction costs and streamlining project execution, we organise **negotiated tendering procedures** whereby we select a construction company to work with AEDAS Homes and the design team on drawing up the initial plans. In FY 2023/24, we adjudicated 18 works contracts using this procedure.

We generally put our developments out to tender when we want to develop housing in a new location. We invite local firms to participate so as to benefit from their deeper knowledge of the local regulations and market, while also giving back to the local business community. We selected the architects used for four developments in three cities via public tender in FY 2023/24.

BREAKDOWN OF CRITICAL SUPPLIERS IN FY 2023/24



Flagship AEDAS Homes

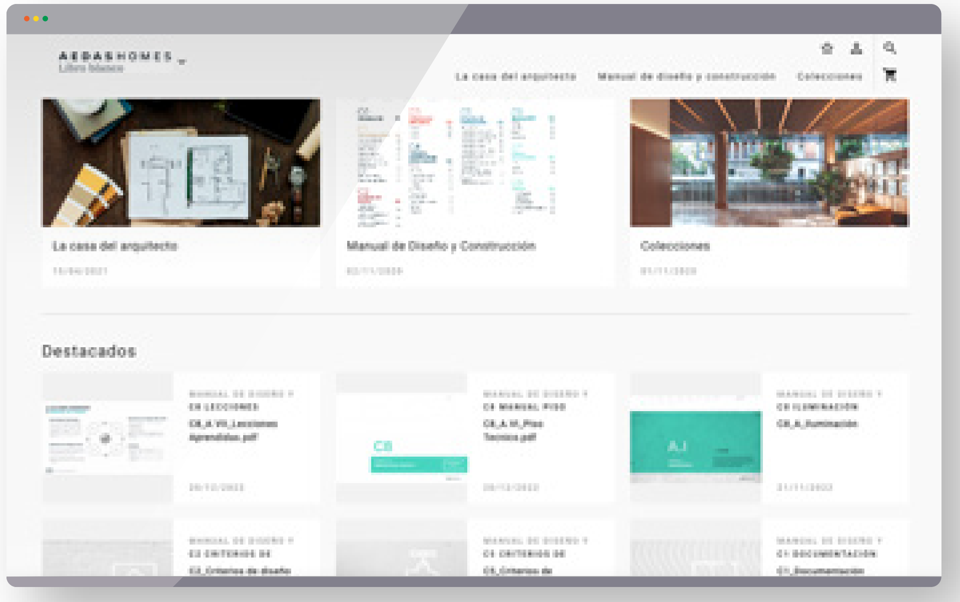
Efficient supply chain management

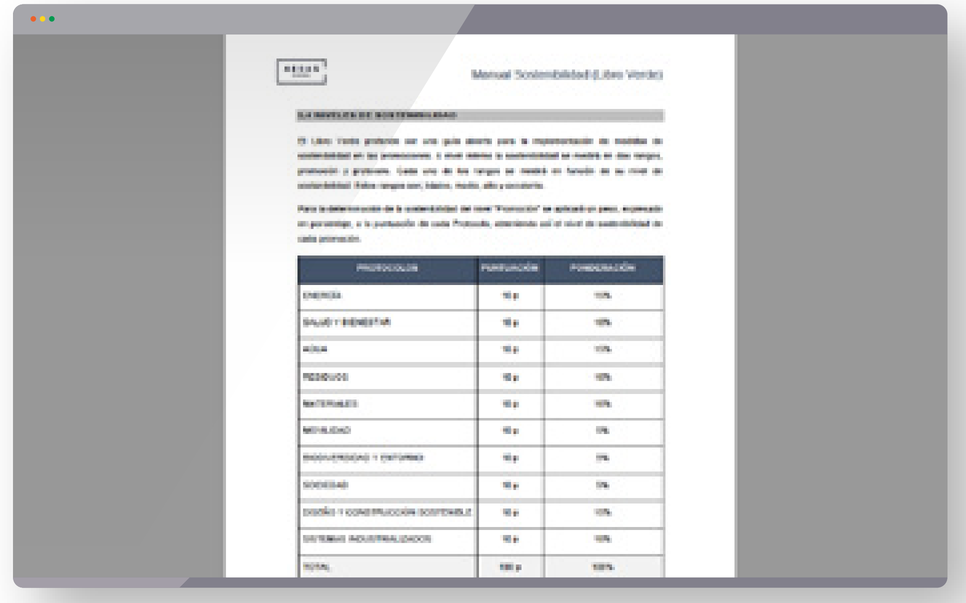
We implement integrated management processes designed to foster an effective and efficient value chain. To be able to deliver our corporate targets, each year we work on the following aspects: standardisation of our procedures, certification and assessment of our suppliers, improvement of our management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

Standardisation of procedures

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

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





The AEDAS Homes White Book

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

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

Last year we worked hard to improve the structural aspects of our developments by adding a **Timber Structures Manual and an Offsite Structures Manual**, while editing a second “Lessons learned” chapter. We also digitalised the developments’ floor area file which is extracted directly from the BIM models, uploading it onto the *Promociona* platform and linking it with other areas of the organisation.

The AEDAS Homes Green Book 2.0

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

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

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

+ For further information, refer to “Environmental milestones”

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

Supplier certification

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

When certifying **architecture firms**, we ask them to itemise the technical qualifications of their professionals, the projects worked on in recent years, their software acumen and any relevant publications. All that documentation is included in a file which is then scored. Three new architecture firms were certified in FY 2023/24.

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

Construction execution oversight is entrusted to professionals with proven experience in residential developments following a procedure akin to that used to select the architects. Construction execution oversight teams participate in each phase of the development process, collaborating on drawing up the detailed plans and also helping with after-sales service, providing monthly progress and incident reports. Six of these suppliers were certified in FY 2023/24.

When engaging **contractors** we study two key aspects in detail: the company's technical and financial capabilities and their proven construction execution experience. To do that we look at their annual financial statements, the experience of their management team, the technical qualifications of their professionals, their management system certifications and the works completed in recent years. That analysis is backed up by the documents the construction companies are asked to provide and reference checking with customers, architects and project managers who have worked with them. Four of these suppliers were certified in FY 2023/24.

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

As with the rest of our critical suppliers, at AEDAS Homes we assess and certify our **Health and Safety Coordinators**. The functions of a Health and Safety Coordinators at the design and execution stages are defined in Spanish legislation (Royal Decree 1627/99 on health and safety at construction sites). We also assess their commitment and leadership managing health and safety onsite. Thirty-seven of these suppliers were certified in FY 2023/24.

Lastly, we have three certified **sustainability consultants**, whose job is to advise us on the choice of sustainability measures to be implemented at each of our developments depending on the targeted seal of certificate (Ecoliving or BREEAM). They are also tasked with carrying out life cycle assessments at each development. To certify these consultants, we ask for the technical qualifications of their team members and their prior experience at residential developments.

In the past year, we have certified or re-certified three architecture firms, six construction oversight firms (DEO), four construction companies, one sales company and 37 Health and Safety Coordinators

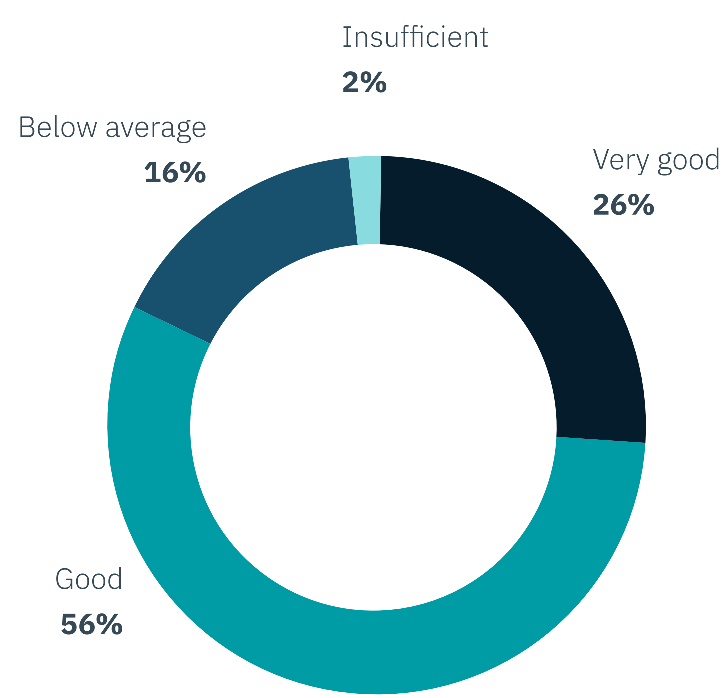
Supplier assessment

We monitor our critical suppliers continuously, assessing the quality of the services they provide, as well as their ability to continue providing them.

In FY 2023/24 we carried out **297 critical supplier assessments**, including suppliers from all six categories: 26% obtained an A-rating (very good), 56% a B (good), 16% a C (below average) and 2% a D (insufficient).

In FY 2022/23 the company carried out evaluations of 300+ suppliers.

CRITICAL SUPPLIER ASSESSMENTS IN FY 2023/24



We are constantly honing our processes to make them more efficient, and this past year we launched the Supplier Portal for improved document exchange

Management tools

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

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

Last year we made further progress on making our processes increasingly efficient by implementing a new document exchange tool: the **Supplier Portal**. With this new portal, our suppliers can consult the documentation they need for each development (access is granted as a function of user profiles) and to upload the documents they in turn generate. They are also given access to a timeline with the development milestone dates and to the main internal and external contacts.

A more robust Developer Operating System

AEDAS Homes' 2021-23 Digital Strategic Plan concluded with a delivery rate of 89%: we completed 54 of the 61 initiatives originally planned; the other seven were cancelled over the course of the plan's three-year term due to a shift in either priorities or market conditions. Execution of this plan has provided the company with a comprehensive and hyperconnected **Developer Operating System** which is ready for the advent of generative AI.

This system allows the **thousands of professionals** who work with AEDAS Homes, including hundreds of employees, to work online and provides customers with an innovative experience when searching, buying and waiting for their new homes thanks to the use of new tools that enable a phygital experience: bridging of the physical and virtual worlds.

All of AEDAS Homes' systems are connected to each other, transferring data in split seconds, rendering the home design, construction, sale and delivery processes highly efficient and nimble.

Lastly, AEDAS Homes has improved its **cybersecurity score** by carrying out important projects to enhance the logical and physical protection of the company's applications, data and systems.

The work performed to complete the Digital Strategic Plan 2021-23 paves the way for successfully executing the new AIRE Plan 2024-26, which his articulated around the use of artificial intelligence.

Incorporation of ESG aspects into the supply chain

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

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

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

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

We rolled out 51 initiatives as part of our Digital Strategic Plan which concluded in 2023, putting us in a strong position to harness the potential of Artificial Intelligence through our new Plan AIRE

PRINCIPLES ENSHRINED IN THE CODE OF CONDUCT FOR THIRD PARTIES

We are in a position to confirm that none of our operations or suppliers pose a risk of presenting cases of any practices against human rights or that put profit ahead of social and/or environmental ends.

The supplier certification process and continuous monitoring of their projects puts us in a position to state that none of our operations or suppliers pose a significant risk of presenting cases of child labour, compulsory labour, mistreatment, discrimination or any other practice that puts profits ahead of social and/or environmental ends.

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

Girona sales office

Average supplier payment term

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

AVERAGE SUPPLIER PAYMENT TERM

Days	2023/24	2022/23
Average supplier payment term	59.71	56.22
Paid transactions ratio	60.78	57.78
Outstanding transactions ratio	50.26	35.85
Total payments made (€m)	**837.80**	**636.20**
Total outstanding payments (€m)	**95.20**	**48.76**

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

SUPPLIER PAYMENTS

	2023/24
Monetary value of invoices paid within the legally stipulated deadline (€m)	380.74
Percentage of total payments made	40%
Number of invoices paid within the legally stipulated deadline	45,004
Percentage of total invoices settled	**80%**

Health and safety during the construction phase

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

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

It is important to point out that there have been **no fatal accidents on AEDAS Homes sites since the company was founded in 2016**, despite the sharp upward trend in the number of developments built.

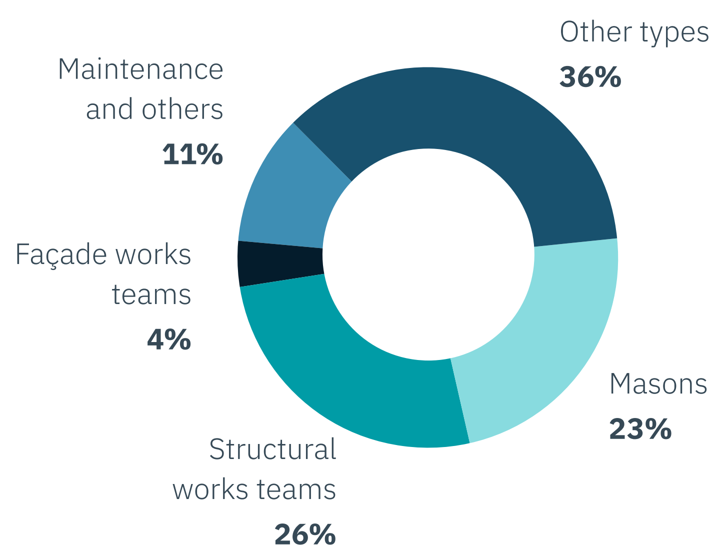
We are convinced that the implementation of Modern Methods of Construction, particularly in prefabricated structures and façades, will drive a reduction in the number of injuries during the masonry and structural works phases.

ONSITE HEALTH AND SAFETY METRICS (CONTRACTORS)

	2021/22	2022/23	2023/24	Variation (%) FY22 vs FY23
Injury frequency rate	17.69	16.39	13.68	-17%
Injury severity rate	0.24	0.18	0.25	39%
Injury incidence rate	3.34	3.09	2.60	-16%

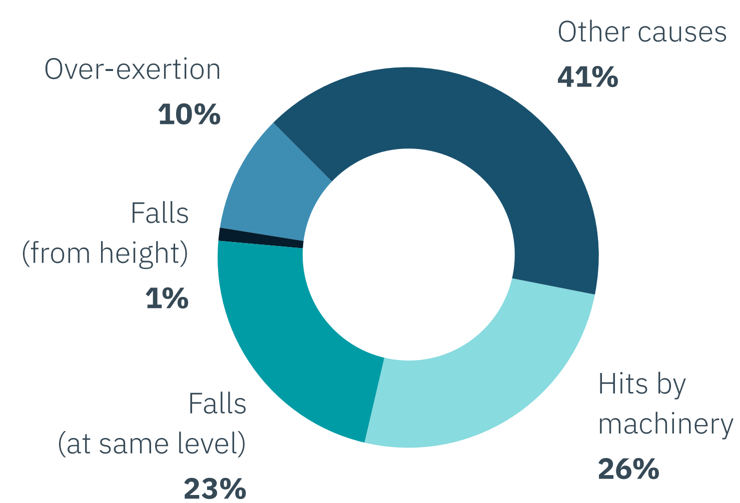
INJURY RATE BY CONTRACTOR TYPE

FY 2023/24



INJURY RATE BY CAUSE

FY 2023/24



Health and safety certification and assessment at contractors

We certify and assess the health and safety records of the key players involved in building our developments: onsite Health and Safety Coordinators and construction companies.

Specifically, we **certify Health and Safety Coordinators** on the basis of qualifications and sector experience, while construction firms are certified around a series of indicators. The main requirement is to hold **ISO 45001:2018 certification** to ensure they have a management system that is certified by an external body and is compliant with Spanish legislation.

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

To assess these companies, AEDAS Homes has developed a **quantitative audit** comprised of 13 blocks and 130 questions, through which the various aspects of development health and safety are evaluated.

During FY 2023/24, a total of **81 assessments** were conducted across all our developments; the **average score was 77.17.**

The main requirement for certifying our Health and Safety Coordinators is that they hold ISO 45001:2018 certification, which ensures compliance with Spanish legislation and having an externally-certified management system

Health and safety onsite at our developments

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

We also designate a Health and Safety Coordinator at each of our developments, as stipulated in Royal Decree 1627/1996, using prestigious external companies who approve the health and safety plans presented by the contractors and follow up exhaustively on their execution. The was the goal behind implementation of the **Health & Safety Process for the Construction Phase**, which notably includes the following activities:

- Oversight of the Health & Safety Plan at the construction site (site visits).
- Coordination meetings (coordination of business activities, planning, etc.).
- Monthly health and safety coordination reports.
- Appendices to the Health & Safety Plan.

In turn, all the Health and Safety Coordinators designated by AEDAS Homes meet monthly to standardise criteria. Those Coordinators have conducted **4,200+ site visits** to our developments under construction.

Identification of and compliance with legal requirements

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

Performance of our **ISO 45.001:2018 certification audits and our health and safety legal audit** evidence stringent compliance by AEDAS Homes, S.A. and its subsidiaries with all of our health and safety obligations.

Supplier communication

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

To listen to their ideas and foster collaboration, at the end of 2022, we organised **Tendering Workshops** at our flagship showroom in Madrid, which were attended by architects, engineers, site directors, contractors and sales agents to detect any issues affecting our development process and suggest how they could be resolved.

As a result of these workshops, in 2023, we **made improvements to how all these stakeholders interact with each other,** to the presentation of our development designs, to the submission of tenders by the construction companies and to the extended documentation required to submit tenders, among other aspects.

2nd Sales & Marketing Forum

A key milestone in our supplier engagement effort was the organisation of the second edition of our **Sales & Marketing Forum** at our flagship showroom in November 2023. That event gathered together **our main partners to discuss** investor customers, the challenges posed by the property management and high-end market, the latest trends in living arrangements, our online marketing strategy and new AI projects designed to enhance the customer experience.

There were guest speakers from a number of benchmark real estate players who shared their vision of the current paradigm. The event ended with a motivational speech.

Event with construction execution oversight teams

With the same aim of actively listening to our suppliers, in April 2023 we organised an event with our construction execution oversight teams to make them familiar with version 2.0 of Dalux. This event was much appreciated by these critical suppliers and highlighted the importance of communicating with them to improve processes.

Presenters at the 2nd Sales & Marketing Forum

Art and artificial intelligence at the 6th annual Architects Gathering

Last year we chose one of the finest rooms at Madrid's Círculo de Bellas Artes to host the sixth edition of our annual AEDAS Homes Architects Gathering. The selected slogan for last year's convention was "Driving innovation and sustainability". The event brought together **over 100 architects from all over Spain** and was punctuated by two roundtable events: "Art and Architecture" and "Artificial Intelligence and Architecture".

The event was inaugurated with a video underlining the importance of the role played by **Modern Methods of Construction** (MMC) in addressing the major issues facing the sector.

A second video about our art sponsorship initiative, **#ConLasArtes by AEDAS Homes**, set the scene for the first roundtable event, which debated the relationship between architecture and art. It look at the value of including works of art in architecture and the importance of creative expression in architectural works.

A presentation on the **unstoppable progress AI implies for residential development** was the backdrop for the second roundtable event, which delved into this major challenge. The various speakers concluded that the sector's professionals will have to adapt to AI and digitalisation developments if they are to maintain their competitive edge

All the AEDAS Homes executives in attendance highlighted the company's excellent relationship with its architects, which they flagged as one of the keys to achieving its business targets.

2nd AEDAS Homes Architecture Awards

The annual Architects Gathering was fittingly wrapped up with the second edition of the Architecture Awards. The Best Residential Complex Award went to Estudio Lamela Arquitectos for the Qian development; the Best Residential Multi-Storey Development went to BXD Arquitectura for the Bagaria II development; and the Best Architecture Prize went to Mármol Bravo Arquitectos for the Bassi development.

Luis García Malo de Molina, Director of Operations at AEDAS Homes, at the 6th annual Architects Gathering

SOCIETY

We contribute to the sector's development and give back to the community

At AEDAS Homes we want to have a positive impact on society. We are leading the sector's transformation by fostering the use of Modern Methods of construction (MMC) and participating actively in sustainable architecture platforms where we help design the homes of tomorrow. We are committed to the communities where we develop our housing, participating in affordable housing initiatives and organising and financing a range of cultural, sporting and charitable programmes.

Key milestones

- 3,600 affordable homes managed by AEDAS Homes under Plan VIVE already under construction
- Launch art competitions as part of #ConLasArtes by AEDAS Homes to promote multiple disciplines and support local artists in 5 cities
- Silver-level sponsor of Madrid's Race Against Cancer for the third year in a row
- Support for women's football through sponsorship of the Laredo Sports Club
- Recovery of architectural gems at developments in Valencia, Denia and Alicante

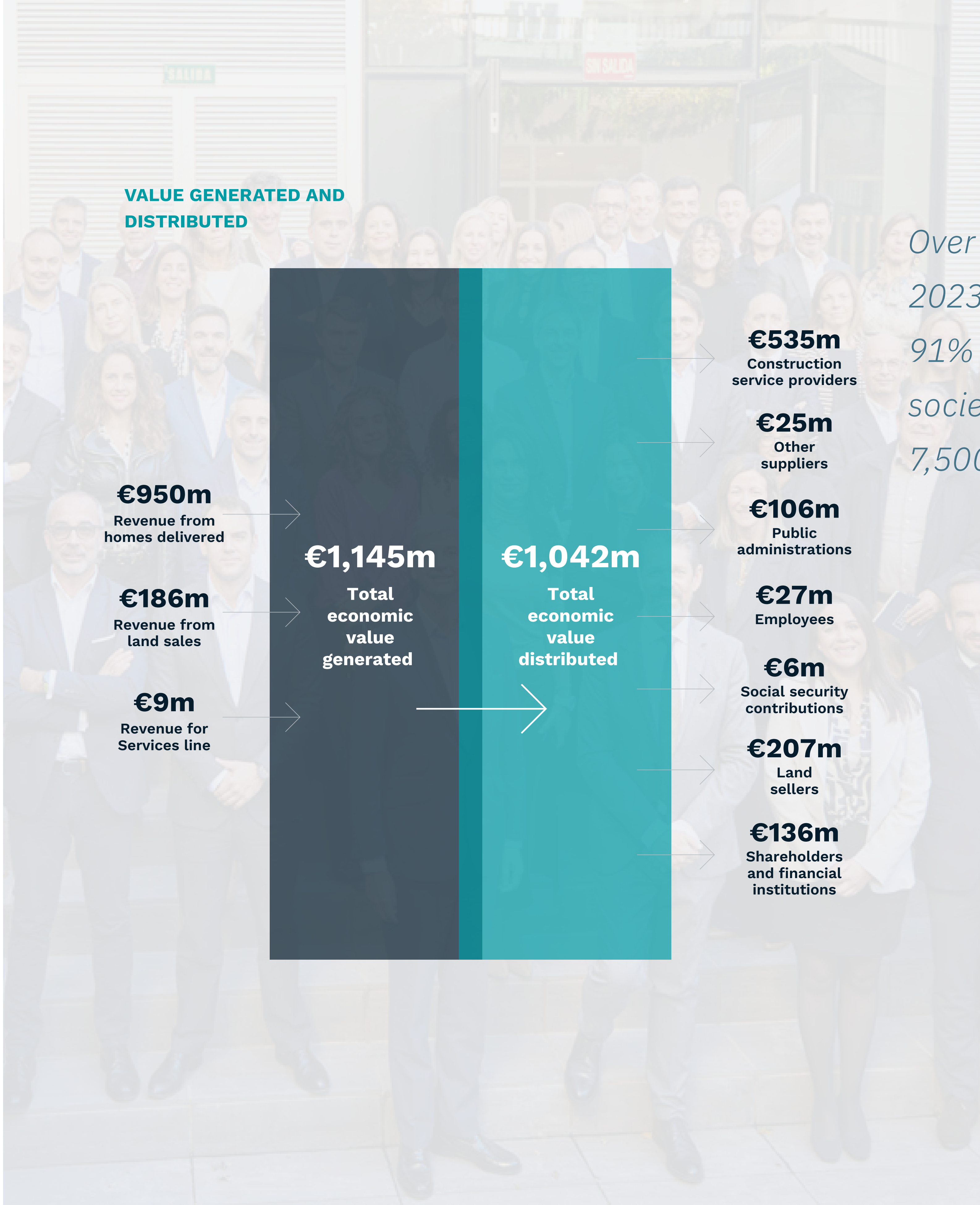
Nerva (Denia)

Wealth generation

In FY 2023/24, we **distributed €1.042 million** through employee remuneration, payments to suppliers, shareholder remuneration, payments for land and tax payments. That figure is equivalent to 91% of our revenue.

In addition to the wealth we generated, our business activities **generated 7,565 indirect jobs** (FY 2022/23: 8,990 indirect jobs created).

VALUE GENERATED AND DISTRIBUTED



Over the course of FY 2023/24, we distributed 91% of our revenue to society and generated 7,500+ indirect jobs

Taxation

Our total tax contribution amounted to €106 million in FY 2023/24. Of that total, €57 million was tax borne by the company and the remaining €49 million was tax collected on behalf of third parties.

Compliance with our tax obligations is one of the crucial ways we give back to society. That commitment is duly set down in our Corporate Tax Policy, which outlines the principles governing our tax practices: transparency, integrity and prudence. We also carry out specific tax risk management controls within our control over financial reporting (ICFR) system.

Our total tax contribution came to €106 million

AEDAS HOMES' TAX POLICY PRINCIPLES

Transparency

We disclose relevant tax information concerning our activity and our stakeholders.

Integrity

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

Prudence

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

Relations with the public authorities

At AEDAS Homes, we engage with the local and regional authorities transparently, stringently respecting applicable legislation.

Irreproachable conduct is key in land management processes, especially during the various stages of the planning and permitting processes.

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

Government grants received

In FY 2023/24, we did not receive grants related to income, nor did we receive them in the previous financial year.

Our contribution to affordable housing

One of the biggest challenges facing society is the provision of affordable housing, especially to young people. Engaged with this issue, at AEDAS Homes we are specifically designing for the affordable housing segment, homes for both sale and rental, without renouncing the company's hallmark quality and sustainability standards.

Specifically, we are developing subsidised units for sale to individuals and participating as project managers in public-private affordable housing schemes. Under these schemes, the local authorities provide the land for institutional investors to build affordable housing for subsequent rental.

In parallel, and through a number of platforms, we urge the public authorities to increase the supply of land and simplify regulations around this issue. Doing so would not only increase certainty for the property developers and foster investment in a sector of great importance to the Spanish economy, but would also benefit its citizens by increasing the supply of housing, ultimately lowering prices.

Plan VIVE: Madrid's affordable rental scheme

Our commitment to helping provide affordable housing is tangible in our **management of 3,582 affordable housing units under Madrid's Plan VIVE**, a pioneering initiative in Spain under which the regional government provides land to investors with the ultimate aim of facilitating housing at regulated rents.

The 23 Plan VIVE Madrid developments in which AEDAS Homes is acting as project manager are spread across 10 municipalities: Madrid City (Valdebebas district), Alcalá de Henares, Colmenar Viejo, Getafe, Torrelodones, Alcorcón, Móstoles, San Sebastián de los Reyes, Torrejón de Ardoz and Tres Cantos.

At 31 March 2024, **ground had been broken on 100% of those developments**. Most of the units under construction will be delivered in FY 2024/25, with the remainder due for delivery in FY 2025/26.

The company generated **€2.88 million** of **revenue** from the **services provided** by our Real Estate Services division in relation to the **23 affordable rental housing developments** it is managing for Plan VIVE Madrid in FY 2023/24.

Other affordable housing projects

Beyond our role in Plan VIVE Plan, through our Real Estate Services division, we take part in the management and/or development of other affordable housing, of which we delivered **95 affordable units to customers** in FY 2023/24. This resulted in a billing of **€7.49 million** attributable to AEDAS Homes Real Estate Services from the vehicles in which we had a stake.

In tandem, AEDAS Homes directly delivered **146 affordable housing units** (to individuals and one institutional investor), generating total revenue of **€30.8 million.**

In the previous fiscal year, AEDAS Homes delivered 63 affordable homes to individual customers.

Imagining the houses of tomorrow

We are ready to spearhead the sector's transition to a model that is more sustainable, competitive and resilient to economic and environmental crises. That means pursuing a smart construction strategy, which includes digitalisation, Modern Methods of Construction (MMC) and the use of sustainable practices.

To tackle the challenges facing the sector—climate change, housing quality, site safety and shorter delivery timeframes—**we collaborate with other stakeholders in the construction process** and participate in taskforces, associations and trade schools where we expound our vision for the homes of the future.

ASSOCIATION MEMBERSHIP BY AEDAS HOMES

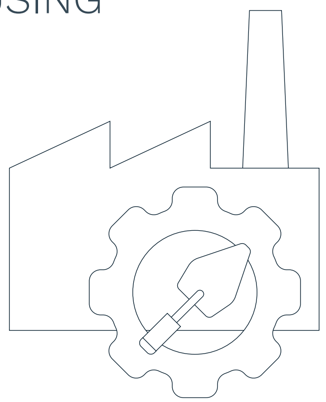
DEVELOPER ASSOCIATIONS

- Granada Contractors and Developers Association - ACP Granada
- Seville Contractors and Developers Association - GAESCO
- Alicante Real Estate Developers Association - PROVIA
- Cadiz Real Estate Developers Association - FAEC
- Malaga Contractors and Developers Association - ACP Malaga
- Valencia Real Estate Developers Association - APROVA
- Zaragoza Contractors and Developers Association - ACPZ
- Balearics Real Estate Developers Association - PROINBA
- Madrid Real Estate Developers Association - ASPRIMA
- Catalan Real Estate Developers Association - APRCE
- Murica Real Estate Developers Association - APROVA
- Las Palmas Contractors and Developers Association - AECPLPA

OTHER ASSOCIATIONS

- Urban Land Institute (ULI)
- Women in Real Estate Spain (WIRES)
- Building Cluster
- European Public Real Estate Association (EPRA)
- Madrid World Capital Construction (MWCC)
- *Emisores Españoles* (Spanish Issuers Association)
- CIARE (Essential Know-How)
- Compliance Professionals Association (CUMPLEN)
- Spanish Institute of Internal Auditors (IAI)
- Landlords Association (ASVAL)
- ISMS Forum Spain (Cybersecurity)
- Generation & Talent Observatory
- Association of Shared Real Estate Spaces (COWORD)
- Spain Green Building Council (Spain GBC)
- Sustainable Architecture Observatory (OAS)

CHAMPIONING FUTURE-PROOF HOUSING

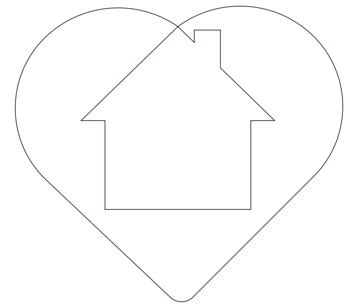


Use of Modern Methods of Construction (MMC)

We view the use of Modern Methods of Construction, including offsite construction, as **one of the keys to transforming the built environment**: they have a smaller environmental footprint and reduce occupational hazards, improve construction quality and increase certainty for developers around construction costs and delivery times, among other benefits.

In FY 2023/24, we continued our advocate work as part of **Rebuild 2024**, where we organised a second debate and analysis event called the **Second Annual Offsite Construction Workshop by AEDAS Homes.** During this forum, which is one of the most highlights of the Rebuild trade fair, we screened our documentary on Fioresta, the first multi-story development with a CLT structure, in Valencia. Elsewhere, through the **Offsite Construction Cluster** in Madrid, we are working to measure the degree to which our developments are built offsite.

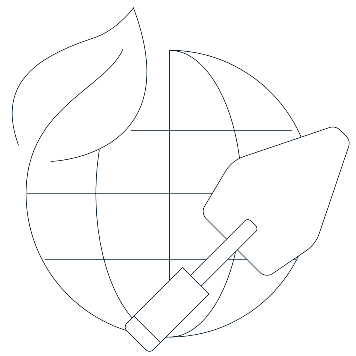
Evidencing our commitment to effectively transferring our know-how to the next generations of professionals, we signed a **partnership agreement with Alicante University** for the provision of classes and workshops to fourth- and fifth-year undergraduate and master's students in the university's Architectonic Construction Department articulated around a very specific project: "Research into offsite construction solutions and retrofitting passive houses". This partnership includes trips to factories where parts of housing developments are manufactured offsite and visits to AEDAS Homes sites where MMC are in action. Going forward, the plan is to offer prize money for the best projects and internships at AEDAS Homes for the best students.



Healthy architecture

Architectural designs need to be about delivering physical and emotional wellbeing. We believe that new builds should layer in the tenets of healthy architecture and neuroarchitecture, the discipline that scientifically studies the psychological effects of living spaces as a function of different aspects, including shapes, colours and layouts.

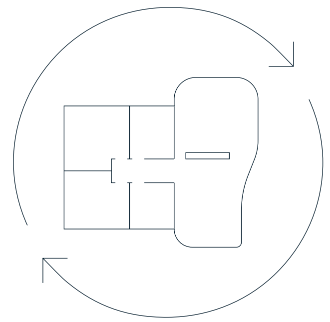
This conviction prompted us to become the first sponsoring partner of the **Healthy Architecture Observatory (OAS)** in January 2024 from where we aim to advocate for and accelerate profound changes in the Spanish residential sector so as to ultimately improve citizens' quality of living and life expectancy. In addition to contributing to the development in Spain of a more humane style of architecture, this sponsorship allows AEDAS Homes to stay abreast of the latest trends in healthy architecture. In January 2024, we also participated in Spain's first national neuroarchitecture congress, which took place in Valencia.



Incorporation of sustainable construction criteria

We want to champion the climate action movement in the Spanish real estate sector, which accounts for 25% of the economy's carbon footprint and 30% of its final energy consumption . To that end, on different stages, we share our initiatives for rationalising the use of natural resources, our energy efficiency measures and our use of new technology with suppliers and other property developers.

Since 2021, AEDAS has been part of the **Green Building Council Spain (GBCe)**, which is turn part of the World Green Building Council, the global network leading the transformation of the built environment to make it healthier and sustainable.

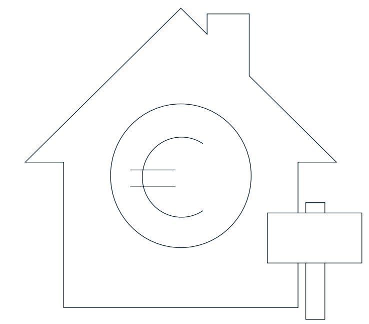


New ways of living

Taking a responsible approach to residential development has led us to become involved in new ways of living emerging from demographics shifts, such as new household structures and population ageing.

Flexible living is based on the idea of creating shared living spaces conducive to fostering interaction and a sense of community among their residents. These flexible living spaces are currently known by a variety of names, including co-living, co-housing and senior living, with new formulas emerging all the time.

Through our Real Estate Services division, we are working to connect all the players needed to purpose-build these new living arrangements. In parallel, as members of the management team of the Spanish flexible living spaces association, **COWORD**, specifically through its Architecture and Sustainability Office, we are advocating for the elimination of the legal and administrative obstacles that could impede this segment's development.



Affordable housing development

We back public-private partnerships to facilitate universal access to housing through affordable rental projects. The idea is for the authorities to provide the land, leaving the housing development in the hands of institutional investors, with both sides benefitting.

We also advocate for the design-to-cost concept, which factors in cost criteria at the drawing board phase in order to ensure housing affordability.

(1) Data taken from the GBCe Country Report 2022: On the Status of the Sustainable Building Emergency in Spain

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

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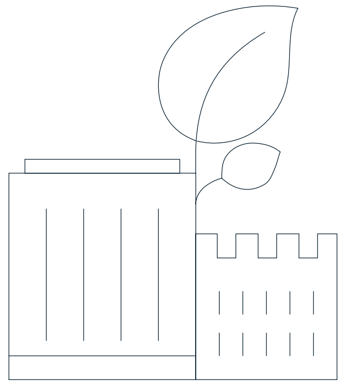


Urban regeneration and heritage restoration

We are ready to do what the public authorities need to take action in the built environment and **contribute to urban regeneration**. Good examples of how that commitment materialised in FY 2023/24 are the **Mesmer (Badalona)** development, which will house a municipal library; the **Viria (Valencia)** development, located in an area of very degraded industrial buildings; and the **Pignatelli (Zaragoza)** development, which is part of the broader Pignatelli park renovation project. In prior years we participated in regeneration projects at our Cabot (Madrid) and Ramón y Cajal (Seville) developments.

At AEDAS Homes we also **restore legacy architecture in the communities where we develop housing**. If we find relics while building any of our developments, we work with the authorities to protect and showcase them, reconfiguring our developments around them.

To date, we have **recovered four historical architectural gems** at three developments, restoring the oldest Islamic mill from Muslim Spain at the Rovella development in Valencia; an Islamic wall and Victorian building at the Nerva development in Denia; and an air-raid shelter from the Civil War at the Ayanz development in Alicante. These historical landmarks have been **turned over to the respective town councils** and will be opened to the public.

El Molí Califal de Roteros (Valencia)

Discovery of the oldest Islamic water mill from Al Andalus, known as the Molí Califal de Roteros, which dates to some time in the ninth or tenth centuries, has led to the creation of an exhibition room in the building's entranceway featuring the mill's remains and graphics depicting the grandeur of Valencia's past, alongside findings from several eras.

El Molí Califal de Roteros (Valencia)

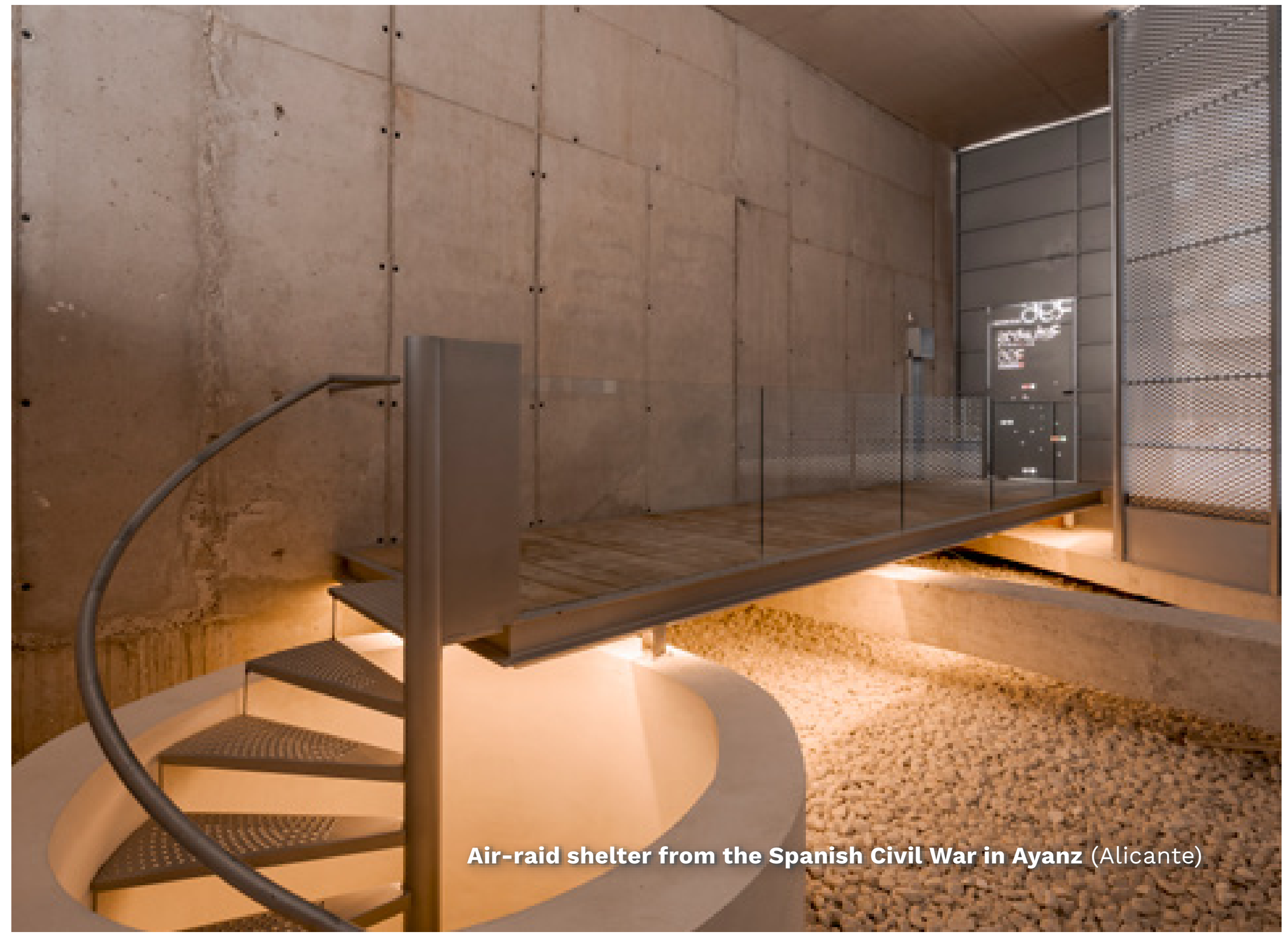
Islamic wall and Victorian building in Denia (Alicante)

This Islamic wall from the eleventh century, which circled the Andalusian shipyards in the old Medina of Daniya, currently forms the enclosure for the Denia residential development, creating gardened pathways. The Victorian-style building 'La Seniar de Oliver' houses the development's common areas.

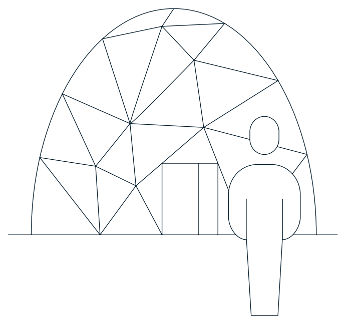
Islamic wall and Victorian building in Denia (Alicante)

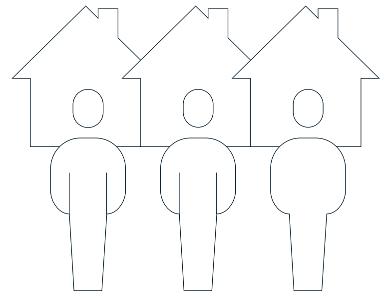
Air-raid shelter from the Spanish Civil War in Ayanz (Alicante)

We have restored a narrow vaulted gallery made from reinforced cement believed to be one of the passive-defence air-raid shelters made to protect the city's citizens during the Spanish Civil War. The gallery has been catalogued as a property of local importance and will be listed in the city's catalogue of protected heritage.



Air-raid shelter from the Spanish Civil War in Ayanz (Alicante)





Our goal is for all of our developments to meet universal design standards, improving the quality of living for all residents and ensuring their ability to access spaces, services and products comfortably and safely

Flexible living spaces

Through a number of platforms, we advocate for the design of more flexible living spaces that are readily adaptable to their inhabitants' evolving needs throughout their lives, as is already happening in the office building segment. Developments should be designed from the beginning to make it simple for users to modify their spaces. Smart layouts and the use of mobile partitions are useful solutions for achieving this goal.

Universal housing accessibility

When we design housing, our approach to accessibility goes beyond merely eliminating architectural barriers: we want all of our developments to meet **universal design standards**. That means taking steps to improve the quality of living of all residents by articulating designs around user diversity. Our aim is that anyone should be able to access our spaces, services and products comfortably and safely, just as easily as everyone else.

To do that we naturally consider the needs of people with disabilities but also how any resident's needs can change over the course of their lives: ageing, pregnancy, having to move around with a pram or other bulky item, etc.

To address our customers' potential needs, we offer personalisation options such as the ability to modify the layout of their houses and smart home solutions enabled by new technology.

Social action

We are committed to contributing to **economic, social and cultural progress in the communities where we develop housing**. This pledge is articulated around three lines of initiative: artistic initiatives, charity projects and sporting and cultural sponsorship activities.

Kids' area at the Hospital de Llobregat event 2023

#ConLasArtes by AEDAS Homes

The goal of this initiative, a sector first, is to leave a social and cultural mark on all of the communities where we carry out our activities by getting involved in local artistic projects that create value and new meaning for their towns and cities.

We believe strongly in the transformational power of art, which is why we organise international competitions across different disciplines that add value to the built environment, always under the direct supervision of the town councils, universities and other cultural entities related with the artistic endeavours in question.

In FY 2023/24, we earmarked over €111,195 euros to the activities outlined below under the scope of #ConLasArtes by AEDAS Homes.

First International Dance Competition: 'Dance en Pignatelli'

Zaragoza

With the City Hall, we organised an international dance competition to mark the inauguration of the renovated Pignatelli Park. This park, which stretches over 23,000 sqm and includes a large pond and an amphitheatre, has benefitted from one of the most significant urban regeneration projects in Zaragoza city in recent decades. The competition had three categories: prize for the best classical dance interpretation; prize for the best contemporary dance interpretation; and prize for the best piece of choreography. The theme for the choreography had to be related with water.

First International Urban Micro-theatre Competition

Valladolid

With the City Hall, we organised an international micro-theatre contest to pay homage to the city under the name, 'Valladolid on stage. Great and smaller moments in the city's history'. This competition had four categories: prize for the best original drama script; prize for the best drama production; prize for the best male performance; and prize for the best female performance. Aid was also provided to the finalists to help them stage their works.

First International Contemporary Art Competition in Palma de Mallorca. Arts & Crafts

Palma de Mallorca

Here the goal was to strengthen ties with local craftsmanship using natural sustainable materials and circular techniques. Artisans from Spain and abroad were asked to tap their creativity to explore the historical wealth and traditions of the Balearic Islands. In short, an artistic endeavour that linked each artisan's line of specialisation with traditional Balearic craftsmanship. Two prizes were awarded, made up of a sum of money and a three-month scholarship to stay at the contemporary creation and research centre, Casa Planas.

'Artub: ARte URbano' Make it visible

Malaga

This digital art competition, in partnership with FYCMA, Polo Nacional de Contenidos Digitales and Onirix, aimed to fuse traditional artistic values with the new era of digitalisation. At its heart lies the novel Zeta district, the new neighbourhood in Malaga whose residents are set to live in a setting inspired by innovation and sustainability. There were two prize-winners. They and three other submissions will be exhibited at an event being organised by FYCMA: CM Malaga, Culture & Museums International Tech Forum.

First International Urban Ceramic Sculpture Competition - 'Ariane'.

Seville

The goal at the heart of this initiative, organised together with the city hall of Seville, is to help publicise the city of Seville as European Space Capital in 2024 and foster urban and artistic development. The competition encourages participants to combine contemporary elements of the aerospace theme with traditional Andalusian ceramics. There is one prize and two distinctions. The winning piece will be installed in La Cartuja at the European Commission entry.

First International Dance in Pignatelli, Zaragoza

Charitable work and sponsorships

Every year we draw up a **Social Action Plan** for helping groups or communities with different needs through charity work. Our involvement is not limited to making donations, as we encourage active participation by our employees and other individuals and companies in the projects we support.

We also believe in the power of sport and culture to transform cities. That is why we **sponsor a number of different sports teams and events** and other cultural events in the places we carry out our developments.

In total we earmarked over €296,000 to these projects and sponsorships in FY 2023/24, up from the previous year when our contribution amounted to around €230,000.

Charity projects, FY 2023/2024

ELEVENTH RACE AGAINST CANCER IN MADRID

AEDAS Homes joined the Spanish Cancer Society, the AEC, as a Silver-level sponsor of the eleventh edition of its race against cancer in Madrid.

COLLABORATION WITH UNHCR

In January 2024 we greenlighted a new project, dubbed Charitable Payroll, marking a new milestone in our partnership with UNHCR, initiated in 2022. Under this scheme, our employees collaborate by making a voluntary monthly contribution, which the company doubles.

THIRTEENTH HOSPITALET DE LLOBREGAT NIGHT RACE

Sponsorship of the night-time charity run in the city of Hospitalet de Llobregat with 5,000+ participants and activities for 350 children.

This year's charity run raised €6,146 for the Josep Carreras Foundation, specifically its shelter home project.

Hospital de Llobregat event, 2023

SECOND PASSION FOR CYCLING CHARITY CHALLENGE

Charity challenge consisting of a bike race through Alcalá de Henares in order to encourage cycling as a sustainable mobility option and raise €15,000+ to buy 20 bikes for children from the Rodríguez Magro school.

CHARITY GOLF TOURNAMENT

Sponsorship of the golf tournament organised by Abama Golf to raise money for a charitable project of the Humanitarian Foundation of the Spanish Rotary Club: 'One child; one Meal; one Book'.

LAS PALMAS CHAPTER OF THE SPANISH CANCER SOCIETY

Organization of two charitable tournaments to raise money for the activities carried out by this association for cancer patients and their families: the Fourth Salobre Golf Tournament at the Salobre Golf Course, in Maspalomas; and the Seventh Golf Against Cancer Tournament at the Las Palmeras Golf Course, in Las Palmas City.

SAN SILVESTRE CHARITY RACE IN MALAGA

Patrocinio de la V San Silvestre del Real Club Mediterráneo cuyos beneficios van destinados íntegramente a la Casa del Sagrado Corazón Cottolengo de la Diócesis de Málaga.

TWENTY-FIFTH TOURNAMENT AGAINST CANCER – LAS PALMAS ROYAL GOLF CLUB

AEDAS Homes sponsored this golf tournament in which 114 players participated. The tournament raised €7,860 to fund the provision of services in the offices in Las Palmas; generate visibility and publicity in the traditional and social media around the event to increase cancer awareness; and establish alliances and partnerships with local companies, organisations and healthcare professionals with the aim of reinforcing care for cancer patients.

Eleventh Race Against Cancer in Madrid

Sponsorship of sports and cultural events in FY 2023/24

MARBELLA RUGBY CLUB

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

Lead sponsor of the Marbella Rugby School for the 2023/2024 school year: a project whose aim is to bring together the main public and private schools in Marbella (directly involving 3,000+ families) to encourage healthy habits and raise awareness around the values of sport.

39th HALF MARATHON IN THE CITY OF GRANADA

Sponsorship of the half marathon organised by the city hall of Granada annually.

SPONSORSHIP OF ALCALÁ RUGBY CLUB

€7,000 sponsorship of the Under 6s, Under 8s, Under 10s and Under 12s at Alcala Rugby Club. The Under-6 team includes a little boy with Down's Syndrome.

TEMPS DE FLORS

Sponsorship of Girona's international floral art event: 'Temp de Flors'.

HOCKEY PER TERRASSA

Sponsorship of the Sports Association encompassing the four main hockey clubs in Terrassa with 9,000+ members in total and 1,200+ local and international matches a year. The four clubs are home to a total of 164 teams from the youngest age categories to the first division. 2,000+ players in total.

DIADA CASTELLERA DE LES NEUS

Castells are human towers built by members of amateur groups, usually as part of annual festivities in Catalonian towns and cities. Last year, AEDAS Homes sponsored those festivities in Vilanova i la Geltrú. The *castellers* are included in the UNESCO Intangible Cultural Heritage of Humanity List..

BATTLE OF THE FLOWERS IN LAREDO

Sponsorship of the 112th edition of the Battle of the Flowers in the city of Laredo, a cultural event catalogued as a festival of national tourist interest.

Second Passion For Cycling Charity Challenge

CD Laredo players, wearing their club shirt sponsored by AEDAS Homes

IPLACEA HANDBALL SPORTS CLUB

Sponsorship of the municipal school of initiation in handball (a local league), federated teams (regional league) and the women's silver honour division (national competition) at the IPLACEA Sports Club in Alcalá de Henares.

CABARET FESTIVAL in MAIRENA DE ALJARAFE

Sponsorship of the Cabaret Festival's cycle of eight concerts.

15K NIGHT RUN IN VALENCIA

Official sponsor of the 15k night run held in Valencia.

L'ETAPE MADRID BY TOUR DE FRANCE PRESENTED BY LAPIERRE

Sponsorship of the amateur cycling race held in Villanueva del Pardillo under the trademark 'L'Etape Madrid by Tour de France', including exclusive sponsorship of the family race.

ALCALÁ BASKETBALL CLUB

Lead sponsor of the EBA Men's League and the Women's First Division Regional League.

SEVILLE FOOTBALL CLUB

Club sponsorship and brand publicity in the Match Day magazine.

SECOND NTT DATA ALICANTE BUSINESSES RUN, 2023

Sponsorship of this run in which 1,200+ runners participated.

AGUSTINOS ALICANTE HANDBALL FOUNDATION

Lead sponsor of the handball schools, with 500+ players across a total of 30 teams.

FIFTH GREAT MEDITERRANEAN RACE

Sponsorship of this run for which 3,000+ participants signed up.

LAREDO SPORTS CLUB

Lead sponsor of the female football team in the preferred regional league.

ARDINES HACIENDA ROSARIO AMATEUR PADEL TEAM

Sponsorship of the amateur padel team made up of 70 residents from the Jardines Hacienda Rosario development.

YOUTHS ATHLETICS CLUB ALCALÁ - AJALKALÁ

Sponsorship of the school cross-country rates which bring together 5,000+ school children and their families for weekend meets.

GRANADA ICE RINK

Exclusive sponsorship of the ice rink erected in Granada's Paseo del Salón during the Christmas holidays.

PALAY BOLA, S.L.

Sponsorship of the padel school with 300+ children. Sponsorship of the padel school's centre court. Exclusive sponsorship of the summer padel competition in which around 200 children play.

10K VALENCIA IBERCAJA

Official brand of the Valencia run which brings together 2,000+ runners.

VILANOVA SAILING CLUB

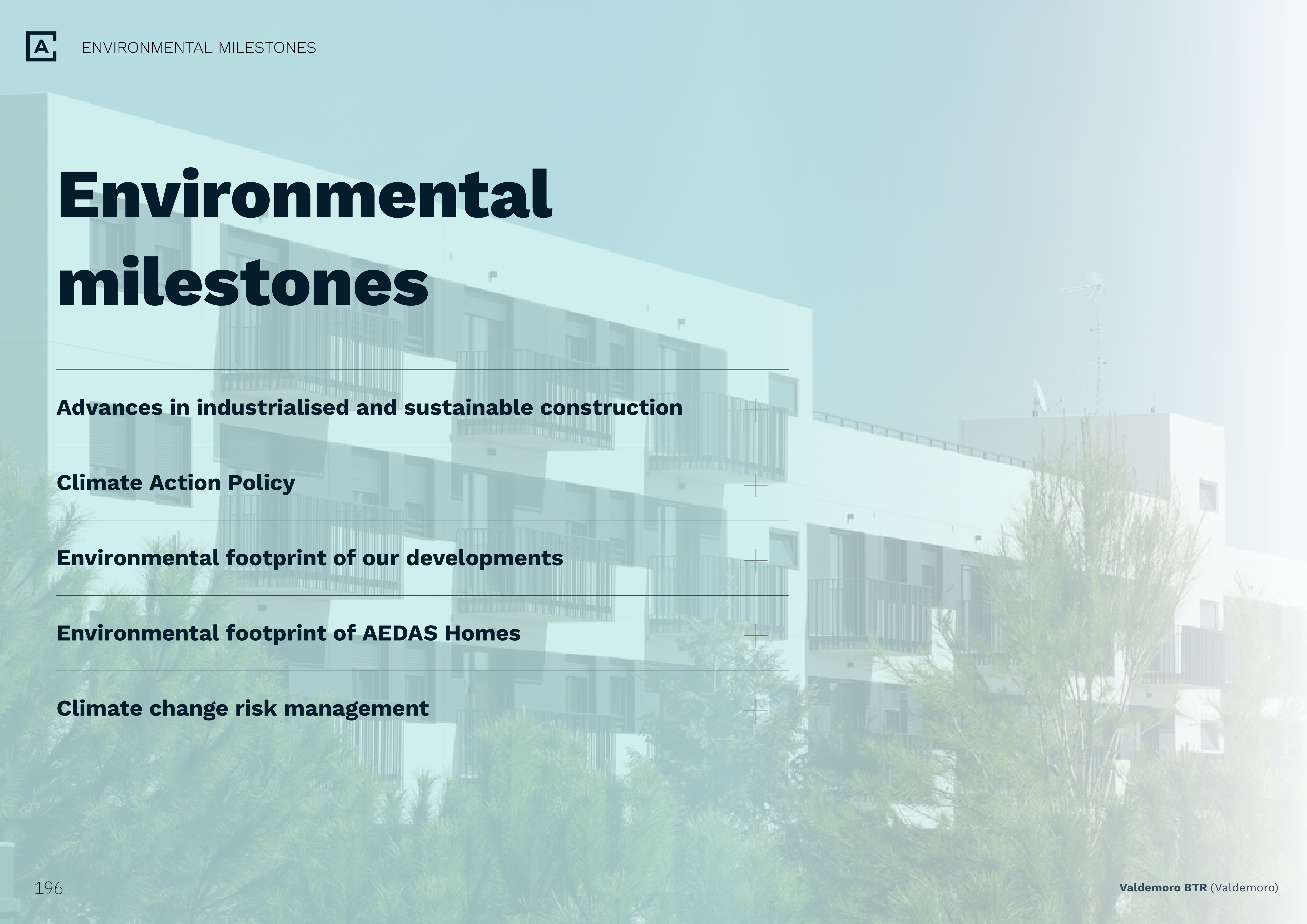
Exclusive sponsorship of the Sailing School's activities.

Sponsorship of the 43rd Columbretes Regatta - AEDAS Homes Grand Prize and Interclub Tournament with the participation of the Garraf i Sitges Sailing Club.

28th INTERNATIONAL HALF MARATHON AND 10K AGUAS DE ALICANTE RUN

Sponsorship of the half marathon and 10k run in Alicante. AEDAS Homes provides the runners with their goody bags and sleeves. This run brings together 2,500+ participants.

AEDAS Homes is the official sponsor of the Alcala Rugby Club's school



Environmental milestones

Advances in industrialised and sustainable construction

Climate Action Policy

Environmental footprint of our developments

Environmental footprint of AEDAS Homes

Climate change risk management

Valdemoro BTR (Valdemoro)

Advances in industrialised and sustainable construction

We are committed to sustainable construction to preserve our natural surroundings and help combat climate change, aiming to reduce the carbon footprint of our business activity by implementing Modern Methods of Construction, using lower-carbon construction materials, boosting circular economy measures at our developments, and applying strict environmental standards.

Key milestones

- 36% of the units delivered in FY 2023/24 were built partially or entirely offsite, meeting the target set out in our ESG Strategic Plan 2021-2023.
- Delivery of Fioresta, AEDAS Homes' first multi-storey development built with a mass time frame and envelope, and winner of Green Asset Initiative of the Year at the 2023 Iberian Property Investment Awards.
- Construction of three residential developments using low-carbon concrete, which reduces emissions by 30%-50% by comparison with traditional concrete.
- 100% of our developments built to our Green Book standards or those of another prestigious green building seal, achieving this milestone for the third year in a row.
- Approval of our Climate Action Policy.
- 62% of completed developments attained an 'AA' energy performance rating.
- Agreement with Naturgy to drive the use of renewable gases.
- Completion of our first development made using 100% post-consumer recycled aluminium.
- Recertification of our environmental management system under ISO 14001.
- Awarding of the first AEDAS Homes prize for the most sustainable development.

Rovella (Valencia)

Use of Modern Methods of Construction (MMC)

We are **pioneering the use of Modern Methods of Construction (MMC), or industrialised construction, at a large scale.** MMC consist of precision-fabricating certain building modules or construction components at an offsite factory, for faster, safer and more efficient construction. These methods encompass a range of technologies capable of **streamlining the construction process and making it more sustainable** and cover the entire process, from the design phase, thanks to the use of BIM technology and artificial intelligence (AI), to partial or full production of our buildings offsite, usually in a purpose-built factory.

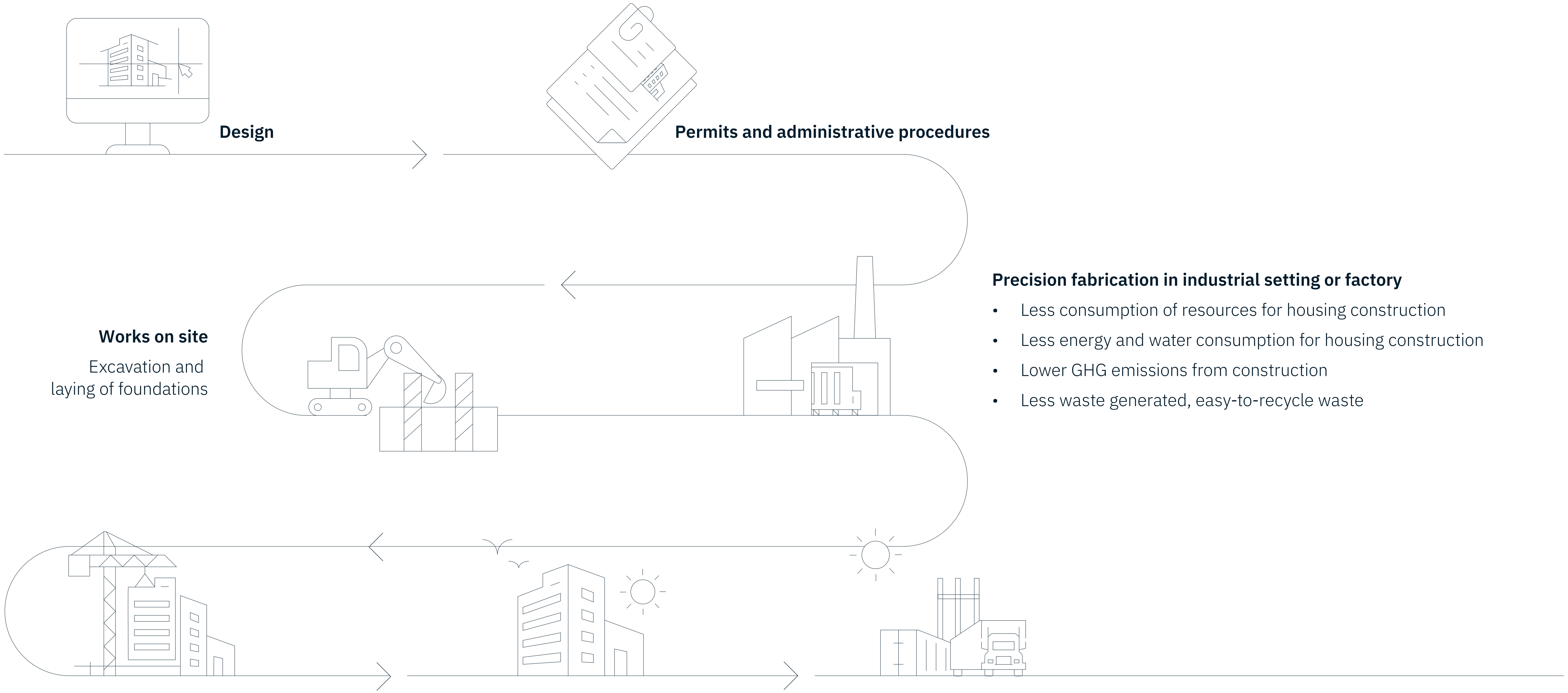
Since 2018, we have put around 4,000 units across 70 developments on the market that were built partially or fully offsite.

These buildings are **more environmentally-friendly** as they limit or eliminate the use of water and drastically reduce waste generation, the environmental impact and carbon emissions. There are also multiple benefits for end users, as offsite construction compresses delivery times while boosting execution standards. The resulting buildings are also more energy-efficient. Workers also gain through a reduction in accidents, shorter commutes and better working conditions, as the units are built in controlled environments. In parallel, offsite construction is conducive to increasing female participation in the construction sector.

In FY 2023/24, we accelerated the use of MMC, **completing 1,048 offsite units at 20 developments, thereby delivering the target set in our ESG Strategic Plan 2021-2023 of having full or partial offsite construction account for 25% of delivered homes.**

Fioresta (San Juan de Alicante)

ENVIRONMENTAL BENEFITS OF USING MMC AT DIFFERENT STAGES OF THE CONSTRUCTION PROCESS



Precision fabrication in industrial setting or factory

- Less consumption of resources for housing construction
- Less energy and water consumption for housing construction
- Lower GHG emissions from construction
- Less waste generated, easy-to-recycle waste

On site assembly

- Execution timeframes reduced
- Environmental impact of works phase lessened

Use and useful life of the home

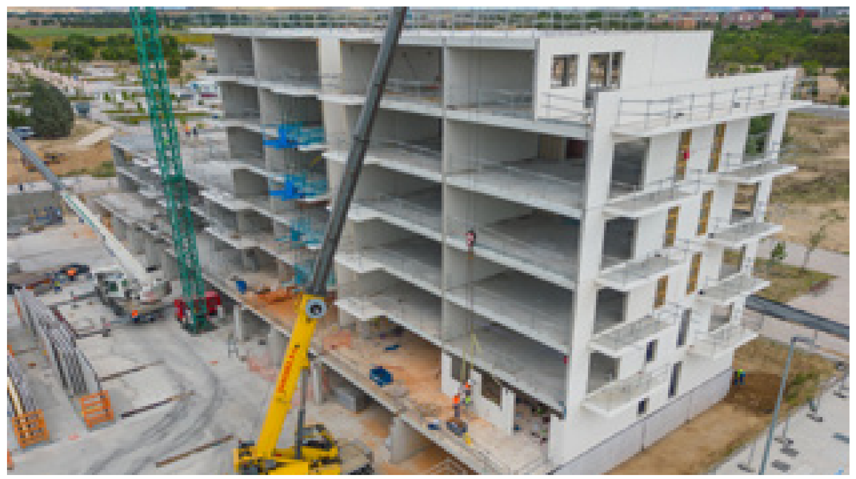
- Lower energy consumption
- Lower GHG emissions
- Lower maintenance costs

End of use and end of useful life of the home

- Reusable elements
- Less energy consumption and reduction in GHG gas emissions in disassembly and transfer
- Much less generation of waste (inert) and others

Cutting-edge developments build using MMC

Last year, we continued to advance on our industrialised and sustainable construction strategy, with **three emblematic developments** which mark three important milestones: our first multi-storey development with a timber frame and envelope, our first building made using a prefabricated concrete structure (in the BTR segment) and our first offsite mass timber façade.



MULTI-STOREY MASS TIMBER STRUCTURE

Fioresta – San Juan (Alicante)
In March 2024, we delivered our first **multi-storey development with a mass timber frame and envelope**. This development combines offsite construction, the use of technical timber and energy efficiency. Fioresta, which was built by the contractor, 011h, a specialist in carbon-neutral buildings, was **designated** Green Asset Initiative of the Year at the international Iberian Property Investment Awards, as well as receiving the Sustainability Prize from COPE Alicante.

BTR DEVELOPMENT MADE USING PREFABRICATED CONCRETE

Las Sedas – Alcalá de Henares (Madrid)
Last year, we broke ground on our first BTR building with a **prefabricated concrete structure**, made using concrete load-bearing walls and honeycomb slabs. This procedure reduces construction timeframes significantly. .

MASS TIMBER FAÇADE BUILT OFFSITE

El Cañaveral - Madrid
We partnered with Lignum Tech to install the first **mass timber façade built offsite** in Madrid's emerging district, El Cañaveral. This innovative façade has a very low carbon footprint (42 kg/CO_2 per m^2) thanks to the use of timber as its structural material. It is a technically advanced façade whose construction was environmentally-friendly; moreover, it is very energy efficient, delivering major energy savings in use.

New challenges in standardising designs

Aside from these three flagship developments, we continued to work on a number of **lines of initiative to standardise construction elements** to make further progress on industrialisation of our developments. For example:

- Standardisation of our hallways and staircases so that with just two prototypes we can cover 70% of our developments.
- Industrialisation of roof stacks, shafts and drains.
- Implementation of industrialised panelling.
- Concrete structures made using prefabricated pillars and beams.
- Reducing the price of industrialised façades.

La Maquia (Alcalá de Henares)

Throughout the year, we have continued our push to standardise construction components and use offiste construction in our developments

Making our developments more circular

The construction sector uses massive volumes of materials and is responsible for one-third of the resources consumed world-wide. Here at AEDAS Homes we are trying to revert that situation by carrying out **Life Cycle Assessments** at all of our developments, analysing all stages in a building's life, from raw material extraction to its construction and end of life. These assessments help us understand which materials and construction solutions are less harmful for the environment.

Use of **BIM technology** allows us to control the use of materials in our developments from the design phase so as to rationalise the resources needed to build our developments and reduce the volume of waste generated.

During the construction phase, we champion the use of **Modern Methods of Construction**, which can reduce waste generation onsite by up to 60%. Industrialised homes deliver 60% fewer carbon emissions during their construction and 30% fewer emissions during their use; they reduce water consumption during the construction and maintenance phases and require between 40% and 75% less energy to heat and cool.

At some developments we are already implementing a material recovery and recycling service. That was the case at **Fioresta**, for example, where we introduced a rock wool insulation waste recovery and recycling service.

To promote **waste recycling** during the development use phase, we installed more recycling facilities than required under building regulations to facilitate the collection of used vegetable oil, batteries and clothing.

"Grupo Reduce": looking for ways to reduce our environmental impact

We set up Grupo Reduce in 2022 as a **multidisciplinary in-house team** whose mission is to identify the most environmentally-friendly construction materials and solutions through Life Cycle Assessments and propose alternatives for reducing the impact of our developments.

That group met several times during the year. Those meetings involved the Regional Branch Technical Directors, the Sustainability Department and representatives from the Operations Department, including the Quality and Purchasing Manager, the Structures and BIM Manager and a Project Manager.

The following decisions were taken as a result of those meetings:

- To use low-impact materials such as low-carbon concrete, recycled aluminium and timber.
- To continue to foster the use of Modern Methods of Construction.
- To add new clauses to contracts with construction firms so as to generate data related with their energy consumption and waste generation during construction.
- To use biomethane (a renewable gas) instead of natural gas at the developments fitted with gas boilers, under an agreement with Naturgy.
- To encourage our suppliers to seek Environmental Product Declarations (EPDs) so we can measure their products' environmental impact..

Recycled and low-carbon materials

We are working to make our developments more circular by using recycled and more environmentally-friendly materials. To do this, we have reached **agreements with benchmark material suppliers**, including Holcim, Cortizo, Technal and 011h.

We have reached agreements with suppliers of products that use recycled or low impact materials to boost circularity in our developments

Eida (Córdoba)

Sustainable concrete

One of the most important milestones of FY 2023/24 was the start of construction on **three residential developments, with a combined total of 200+ units, that will be built using low-carbon, sustainable concrete:** Luzán in Zaragoza, Comte in Valencia and La Maquia in Alcalá de Henares. Use of this innovative material, called **ECOPact**, is the result of an **agreement with Holcim**, a leading provider of innovative and sustainable construction solutions.

Thanks to their sustainable concrete, these three residential developments will **generate around 45% fewer carbon emissions** by comparison with conventional concrete (CEM I). In absolute terms, the three developments' carbon footprint will shrink by approximately 2,000 tonnes of CO_2.

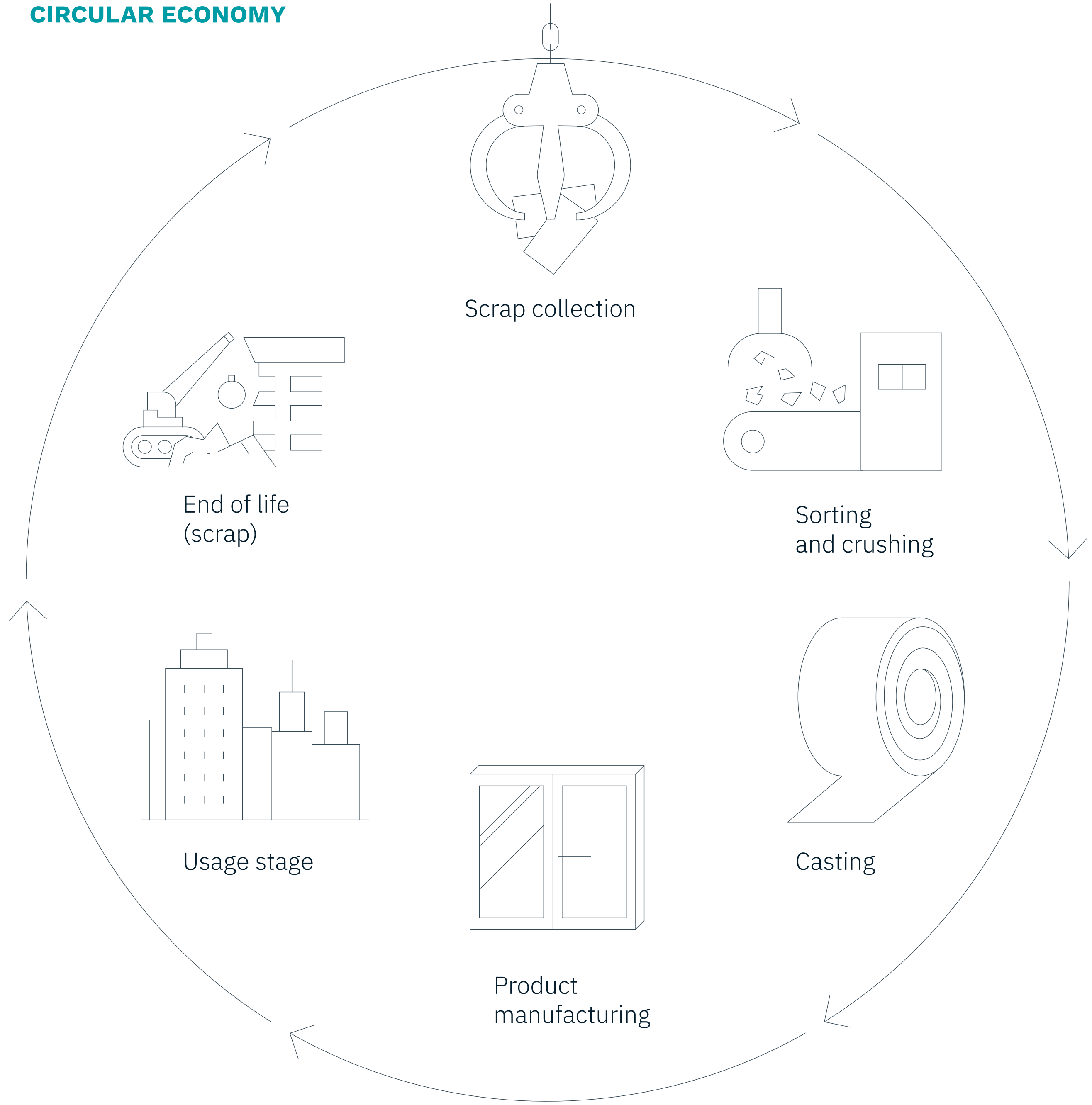
Their construction marks a watershed moment for AEDAS Homes and a giant step in our environmental strategy, as ECOPact has the capacity to reduce carbon emissions by up to 50% compared to traditional concrete and is the only concrete product with its own **Environmental Product Declaration** (EDP) in Spain.

Recycled aluminium

We are convinced that the use of recycled materials can contribute meaningfully to decarbonisation of the construction sector. To that end we have **reached agreements** with **Cortizo** and **Technal** for the development of homes in Spain using recycled aluminium, in some cases made from 100% post-consumer aluminium scrap. The manufacture of this material, which can be recycled infinitely without losing its properties, implies a 95% reduction in carbon emissions compared to the production of conventional aluminium in Europe, and a 40-fold improvement with respect to aluminium imported from China.

After several years using recycled aluminium with a post-consumer aluminium scrap content of 75%, in 2023, together with Technal, we presented the first development to use 100% post-consumer recycled aluminium: Soul Marbella Sunshine. We later signed an agreement with Cortizo covering the installation of thousands of windows made from 100% post-consumer aluminium scrap.

ALUMINIUM PRODUCTS IN THE CIRCULAR ECONOMY



Mass timber

Innovation around construction materials led us to **partner with 011h** in 2021 for the launch of **Fioresta**, our first multi-storey development with a mass timber structure and the first of its kind in the region of Valencia.

Timber, a natural material with the lowest carbon footprint in construction, was also used in **another four developments** in FY 2023/24: Maremma, Eneida and Eneida Views in the Balearic Islands and a BTR development in Madrid.

Standardised green building criteria

At AEDAS Homes we have developed a series of in-house environmental standards to ensure that all of our developments meet certain minimum requirements. Those requirements are set down in our **Green Book**, an open guide for the implementation of sustainability measures at our developments.

The Green Book groups our environmental requirements into 10 categories: energy, health and wellbeing, water, waste, materials, mobility, biodiversity and integration, society, sustainable design and construction and offsite systems.

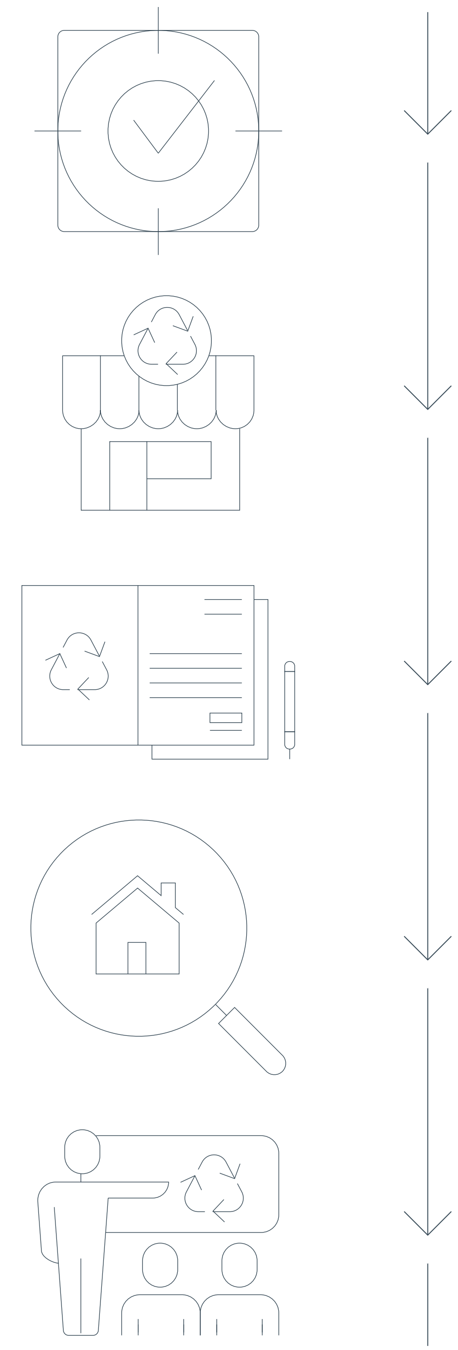
During the design phase, the development manager has to select at least one measure from each category to obtain the **Ecoliving® seal**, our proprietary and pioneering environmental seal, created in 2020 to certify the level of sustainability of our homes. As a function the number of measures implemented and their weightings, a development will receive one of the following sustainability ratings: basic, medium, high or excellent.

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

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

In FY 2023/24, for the third year running, **we delivered our strategic target of building 100% of our developments to specifications aligned with the Green Book or another prestigious seal.** Specifically, 95% of our finished developments meet the sustainability requirements set in the Green Book, 3% are BREEAM certified and the remaining 2% are Passivhaus certified.

HOW THE AEDAS HOMES GREEN BOOK IS APPLIED (STAGES)



STAGE 1
Identification

Identify the sustainability measures to be implemented in the development

STAGE 2
Installation

Set up the Ecoliving Corner at the development sales office

STAGE 3
Documentation

Prepare the Ecoliving Dossier

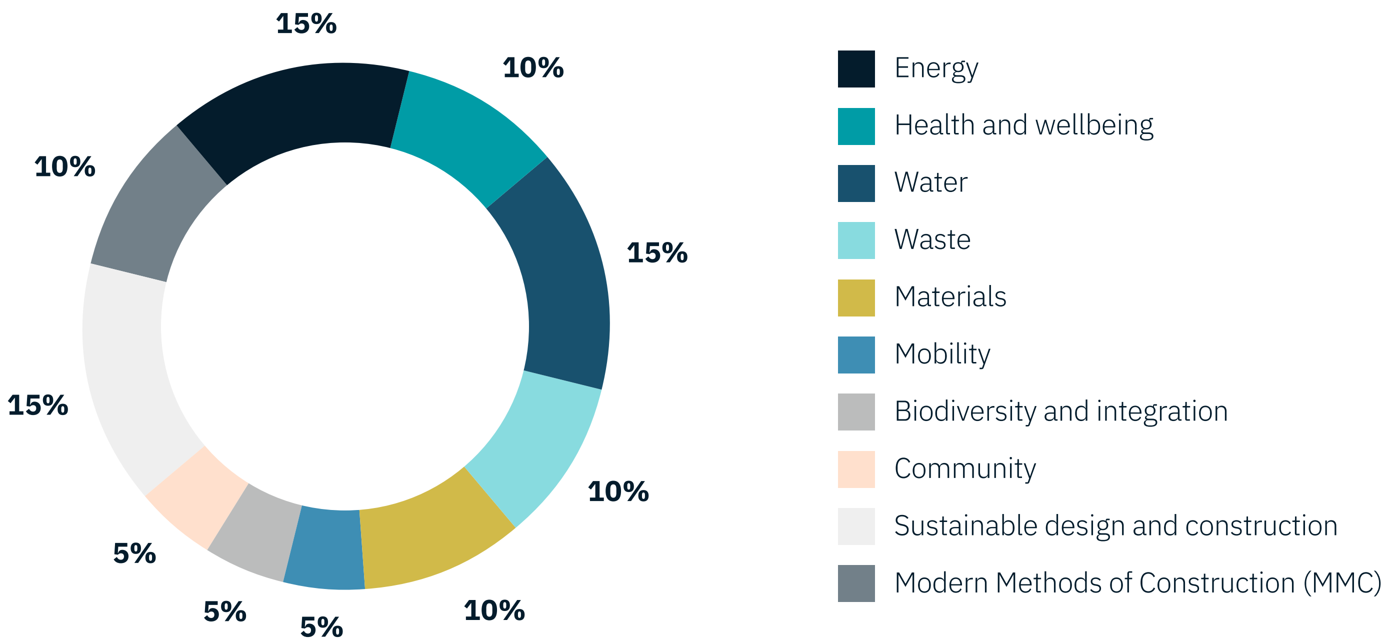
STAGE 4
Analysis

Carry out a Life Cycle Analysis on the development

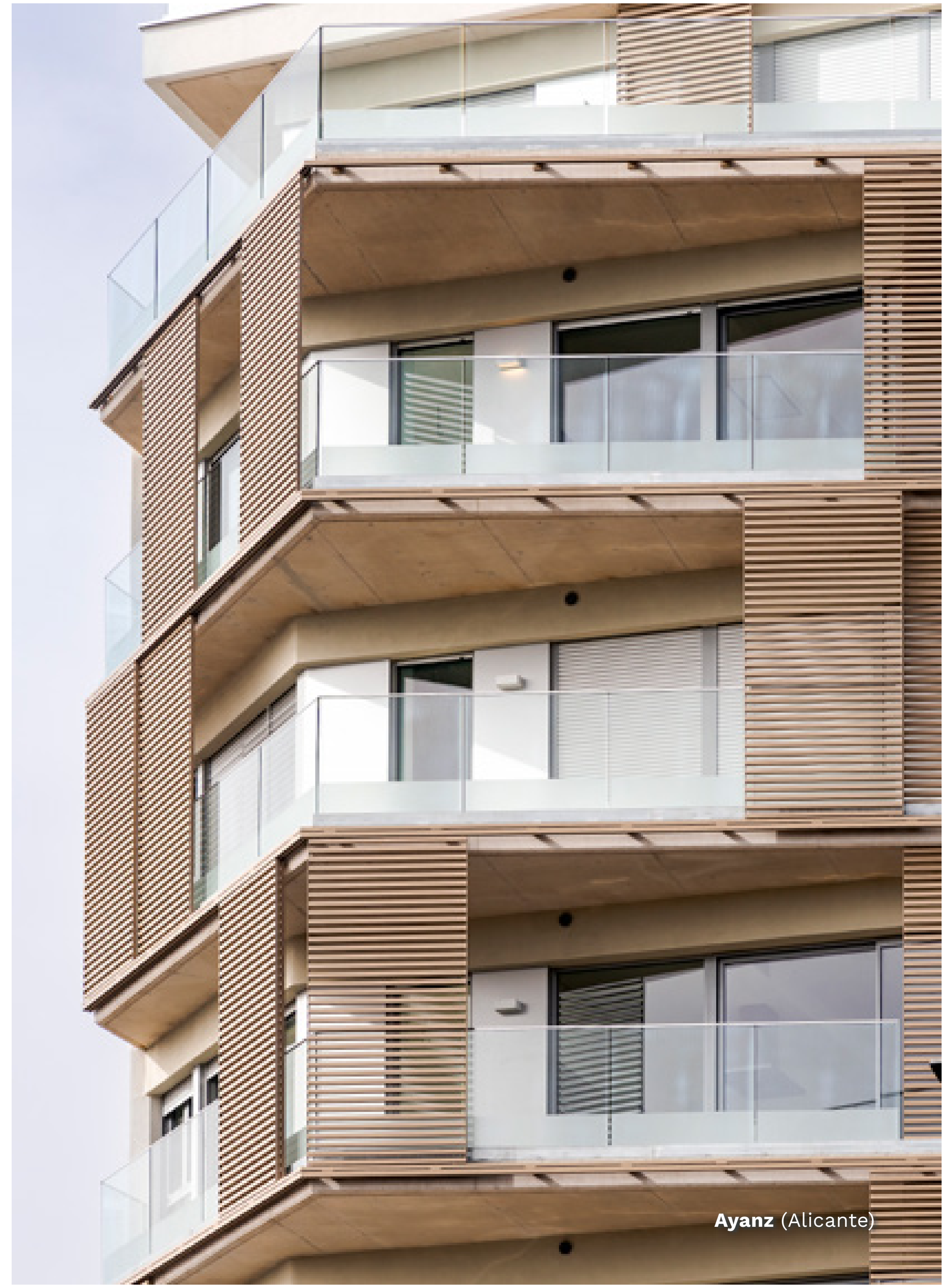
STAGE 5
Training

Train the sales team on the development's sustainability features

WEIGHTS FOR EACH GREEN BOOK CATEGORY



During the design phase, each development manager must select at least one measure of each of the 10 categories in our Green Book in order to achieve our Ecoliving(R) seal



Ayanz (Alicante)

SUSTAINABLE HOUSING WITH THE ECOLIVING® SEAL

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

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

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

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

Nearby public transport stops.

Bicycle parking spaces.

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

Native plant species planted in green areas.

Common facilities configured to optimise energy efficiency and lower costs.

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

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

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

Use of materials produced no more than 400 km away.

Pre-installation of electric vehicle charging stations.

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

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

Common areas with natural lighting and ventilation.

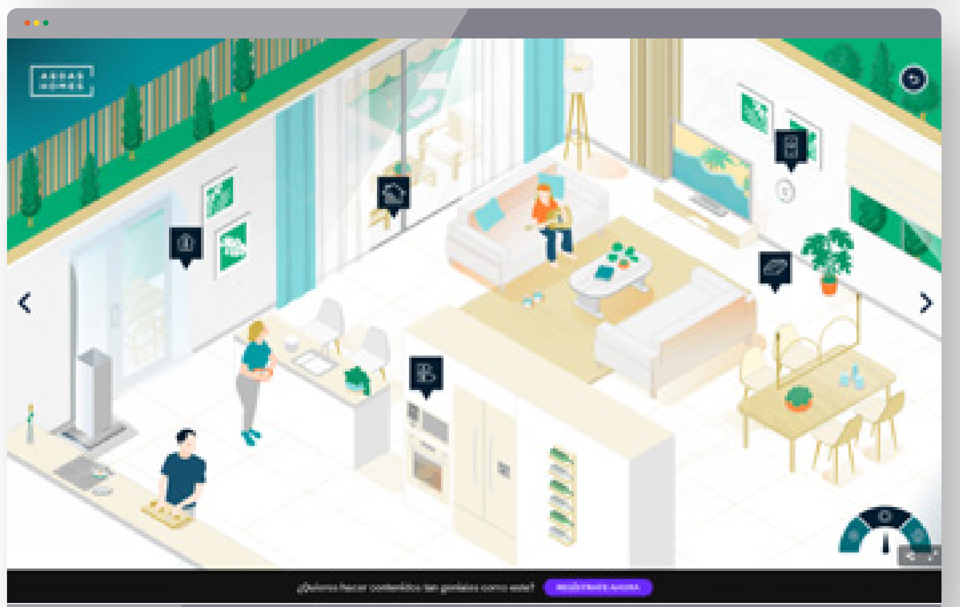
Dedicated areas for recycling containers.

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

The AEDAS Homes interactive home

To mark World Energy Efficiency Day, in March 2024, we presented **'The AEDAS Homes interactive home'**, a **dynamic graphic** put together with **Ecoavantis** to raise awareness about the responsible use of energy by informing home occupants about how a house performs during the different seasons of the year and the measures and equipment that can make a home more efficient and sustainable as the seasons change.

This **data visualisation tool** highlights the scope for gaining efficiency by installing photovoltaic panels and air heating systems in bedrooms and living rooms, using high-performance domestic appliances and orienting developments to capture as much natural light as possible.



We marked World Energy Efficiency Day with the launch of our our interactive home, a digital tool designed to raise awareness about using energy responsibly at home

Climate Action Policy

Our Climate Action Policy, approved by the Board of Directors in 2023, combines two lines of action: (i) initiatives designed to reduce the emissions that are causing climate change; and (ii) initiatives designed to adapt to climate change.

Volunteers participating in our tree-planting initiative at the AEDAS Homes Forest in Puerto de la Torre, Málaga

Climate Action Policy: key lines of initiative

CLIMATE CHANGE MITIGATION

Carbon footprint

Establishing a roadmap for achieving our development decarbonisation targets.

Circular economy

Formulating a circular economy plan covering our requirements around responsible procurement, efficient materials, health materials and waste management.

Sustainable mobility

Polling our employees about the means of transportation they use and suggesting more sustainable solutions.

Water consumption

Formulating a water management plan, including water savings measures.

Biodiversity

Studying the company's impact on biodiversity to enhance our strategy.

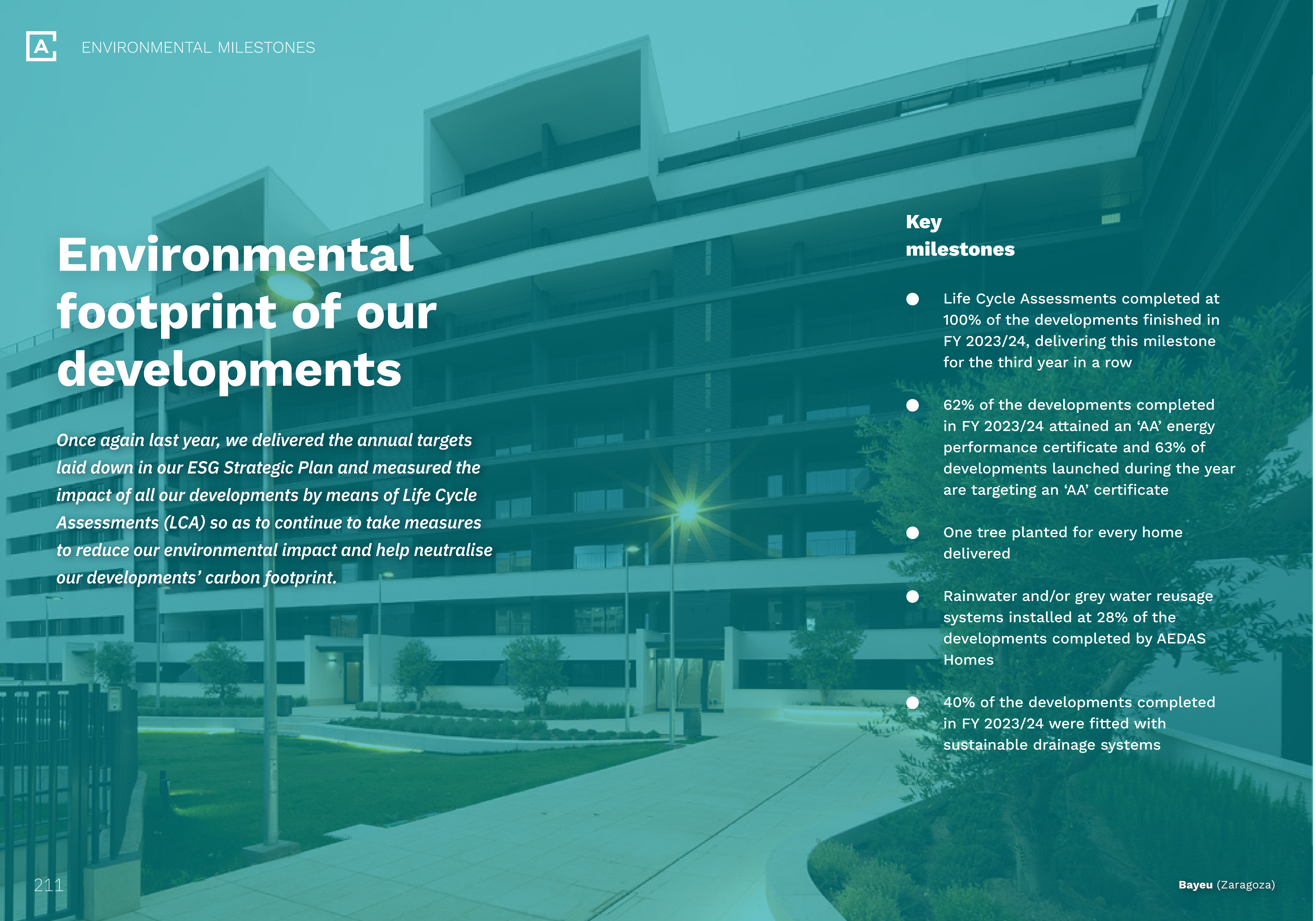
CLIMATE CHANGE ADAPTATION

Risks assessments

Integrating climate change risks in our risk analysis, management and reporting effort.

Impact reduction measures

On the basis of those risk assessments, establishing measures for implementation at our housing developments.



Environmental footprint of our developments

Once again last year, we delivered the annual targets laid down in our ESG Strategic Plan and measured the impact of all our developments by means of Life Cycle Assessments (LCA) so as to continue to take measures to reduce our environmental impact and help neutralise our developments' carbon footprint.

Key milestones

- Life Cycle Assessments completed at 100% of the developments finished in FY 2023/24, delivering this milestone for the third year in a row
- 62% of the developments completed in FY 2023/24 attained an 'AA' energy performance certificate and 63% of developments launched during the year are targeting an 'AA' certificate
- One tree planted for every home delivered
- Rainwater and/or grey water reusage systems installed at 28% of the developments completed by AEDAS Homes
- 40% of the developments completed in FY 2023/24 were fitted with sustainable drainage systems

Bayeu (Zaragoza)

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

1 / Life Cycle Assessments (LCA) carried out at all developments

We carried out LCAs at all of the 58 developments completed in FY 2023/24. This analysis includes a calculation of the equivalent CO_2 corresponding to the different stages or phases evaluated during the life of the building (50 years), from extraction of the raw materials to manufacture of the materials and their distribution, construction, use and maintenance of the building, waste management (landfill vs. recycling) until demolition or deconstruction of the development (end of life). Those calculations are calculated using One Click LCA software and are aligned with the UNE EN 15978 standard.

The embodied carbon figure corresponds to the sum of emissions during phases A1 to B5 and C1 to C4 of the LCAs carried out at the developments completed.

The operational carbon figure corresponds to the sum of emissions during phases B6 to B7 of the LCAs carried out at the developments completed.

RESULTS OF OUR LIFE CYCLE ASSESSMENTS

	Finalized developments	Total embodied carbon (kg CO_2e/m^2)	Total operational carbon (kg CO_2e/m^2)	Total embodied carbon (kg CO_2e/m^2*año)	Total operational carbon (kg CO_2e/m^2*año)
2021/22	35	1,212.60	379.46	24.25	7.59
2022/23	41	1,230.53	366.52	24.61	7.33
2023/24	58	1,174.63	406.96	23.49	8.14

The surface area used is the sum of the useful floor areas of the developments completed.

The useful life of the buildings was assumed to be 50 years.

In FY 2021/22 and FY 2022/23, the figure provided was that corresponding to average emissions in respect of the developments completed.

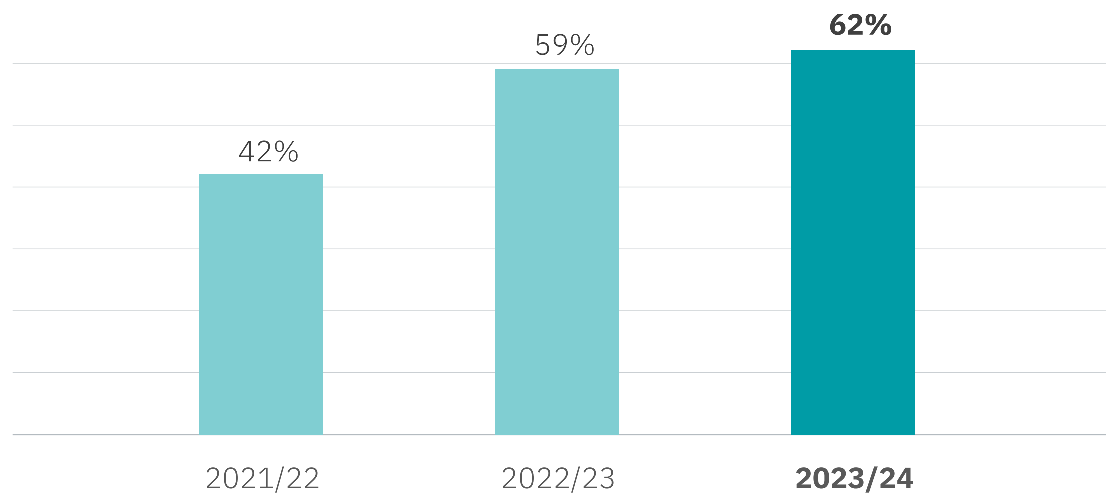
The figures reveal that approximately 75% of the emissions generated by our developments correspond to embodied carbon, with the remaining 25% accounted for by operational carbon.

2/ 'AA' energy performance ratings attained at 62% of the developments completed in FY 2023/24

In a country in which 70%+ of the housing stock has very poor energy ratings ('E', 'F' or 'G'), here at AEDAS Homes we attained 'AA' performance ratings at 62% of the developments completed last year, up from 59% in FY 2022/23.

That continued progress was enabled by the use of **high-quality building envelopes** and the installation of **high-performance, airtight façades, windows and doors**. We also design the **layout of our buildings and their individual homes** to maximise energy efficiency. Lastly, we use efficient installations that run on **renewable sources of energy**.

TREND IN COMPLETED DEVELOPMENTS ATTAINING AN 'AA' ENERGY PERFORMANCE RATING



3/ Spain's first Passivhaus-certified BTR development

FY 2023/24 will go down in the history of AEDAS Homes as the year we completed the **first private sector BTR development to obtain Passivhaus certification** in Spain. The development, located in Valdemoro, was a turnkey development for Grupo Lar-Primonial, the joint venture that owns and leases out the residential property.

The development stands out for above-specification **thermal insulation** based on a façade made from glass fibre reinforced (GRC) concrete, control over air leakage from the enclosure during its execution thanks to blower door tests, triple-glazed PVC high-precision windows and double-flow mechanical ventilation with heat recovery and air filtration.

Thanks to these measures, the homes in this development will achieve energy savings of 70% compared to a home built under Spain's 2007 Building Code and of 40% compared to the newest Building Code.

4/ Sustainable drainage

In FY 2023/24, we stepped up the installation of **sustainable drainage systems**, green roofs and landscaped areas designed to favour the natural water cycle. These systems reinject rainwater into the soil without contaminating it and capture water while it is still in optimal condition for reuse, stopping it from running off over paving.

40% of the developments completed in FY 2023/24 featured **sustainable drainage systems**, well above the 25% targeted in the ESG Strategic Plan. Moreover, **28%** of the developments finished in FY 2023/24 have **rainwater and/or grey water recovery or reuse systems** to meet watering requirements for gardens, similarly topping the target of 25% set down in our ESG Plan.

5/ Installation of recycling facilities

29% of the developments we completed in FY 2023824 have been fitted with **recycling facilities** where occupants can deposit used clothing, cooking oil and batteries without having their leave their complexes, again topping the ESG Plan target of 25%. This circular economy measure also reduces emissions derived from transportation to other recycling stations.

6/ Pollution

Our Green Book urges managers to check the **developments' waste studies** to assess the construction systems used and propose **solutions to reduce waste generation**. That guide also fosters the reuse and recycling of waste, so contributing to a more circular economy.

In addition to the measures implemented to reduce the environmental impact of developments during their use, as detailed previously, we **request ISO 14001 certification from the construction companies** responsible for building our developments. This ensures that pollution during construction, including noise and light pollution, does not exceed the levels established by current legislation.

Luzán (Zaragoza)

7/ Offsets: commitment to plant one tree for every home delivered

We plant one tree for every home delivered. In FY 2023/24, we planted a total of 3,544 trees, one for every home delivered by each of the Regional Branches, selecting a variety of species to suit the local climate.

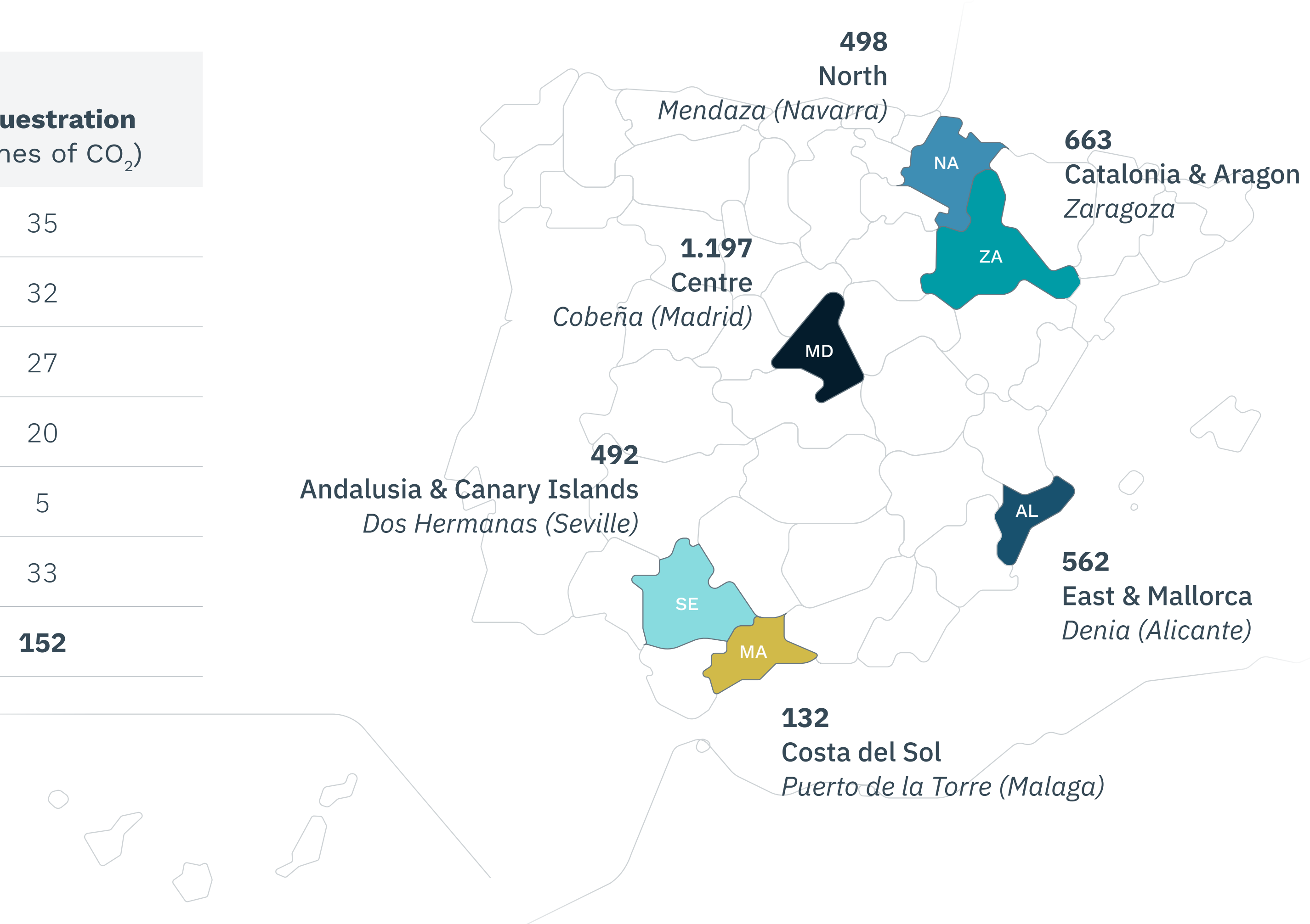
Those trees stand to absorb 152 tonnes of CO_2 (using the absorption calculator recommended by Spain's Ministry of Green Transition).

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

To calculate the CO_2 sequestered by the trees planted, the final density of the various species at the end of their life (30 years) was estimated using the Ministry's absorption calculator.

TREE PLANTING IN FY 2023/24

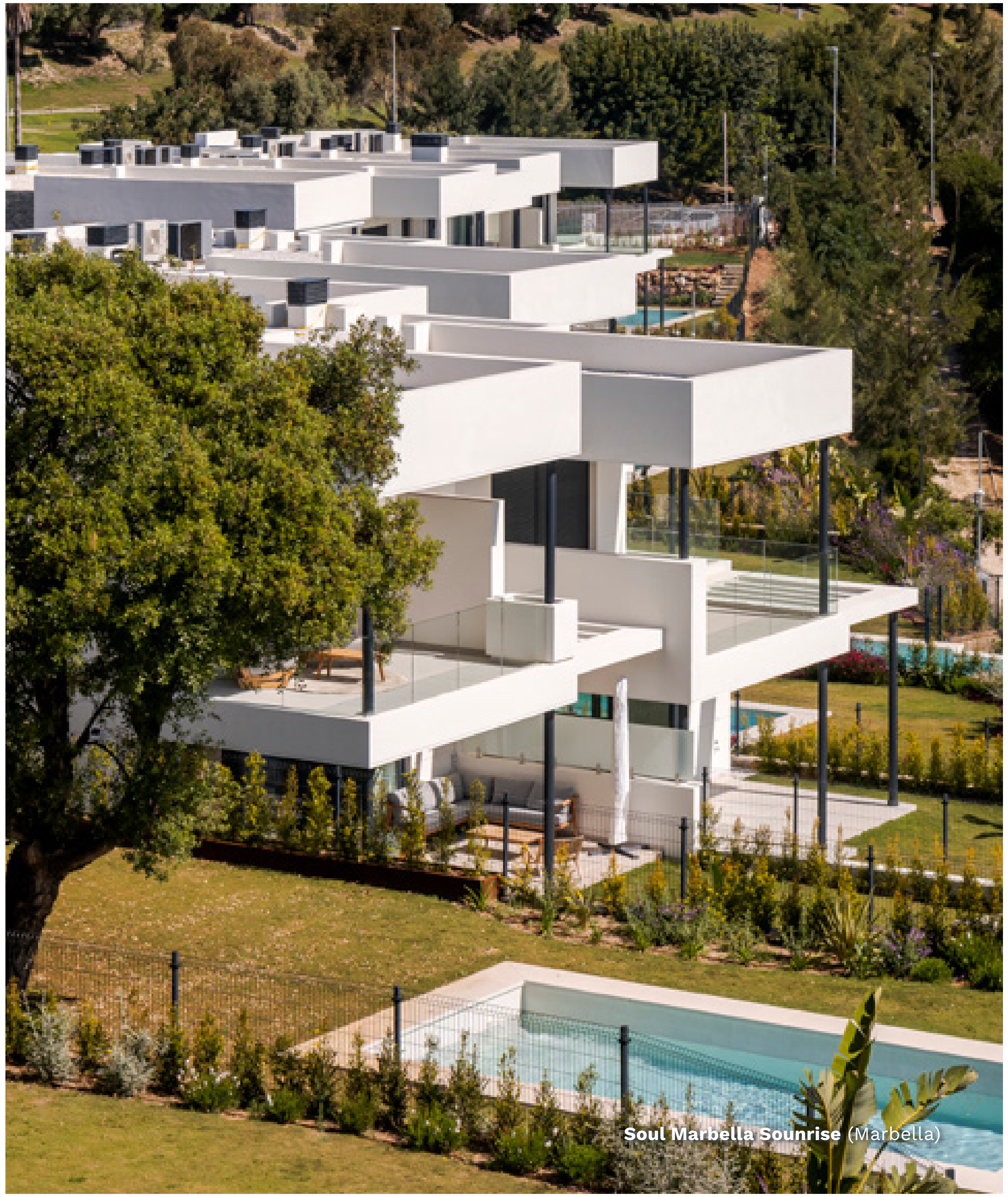
Regional Branch	Nº saplings	Location	Sequestration (tonnes of CO_2)
Centre	1,197	Cobeña (Madrid)	35
Catalonia & Aragon	663	Zaragoza	32
East & Mallorca	562	Denia (Alicante)	27
Andalusia & Canary Islands	492	Dos Hermanas (Seville)	20
Costa del Sol	132	Puerto de la Torre (Malaga)	5
North	498	Mendaza (Navarra)	33
Total	**3,544**		**152**



8/ Environmental compliance

In FY 2023/24, we recertified our environmental management system under ISO 14001, guaranteeing compliance with our environmental legal requirements at our developments.

We did not receive any fines or penalties for non-compliance with environmental laws or regulations in FY 2023/24.



Soul Marbella Sounrise (Marbella)

During the fiscal year, we recertified ISO 14001, which guarantees compliance with legal issues in our developments

Environmental footprint of AEDAS Homes

Our environmental responsibility begins in our own home. We are aware that our offices and points of sale have a limited impact but we are also aware that every action counts. We therefore work to use energy efficiently, rationalise the volume of resources we use, manage the waste we generate appropriately and encourage our employees to act responsibly.

Key milestones

- Recertification of our offices and points of sale under ISO 14001: AEDAS Homes, Living and Real Estate Services
- Measurement of our offices' Scope 1 and 2 emissions and analysis of 15 categories in preparation for Scope 3 measurement.
- Green energy purchases covering 44% of the electricity consumed at our offices.
- Enhanced energy efficiency: new self-sufficient after-sales service trailers.

An AEDAS Homes family planting a tree at a plot in Cobeña, Madrid

Our offices, meaning our headquarters in Madrid and our six Regional Branches, are covered by an UNE-EN ISO 14001:2015 certified environmental management system.

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

Environmental record

This table presents the fuel consumed by the company's leased vehicle fleet, our electricity consumption, distinguishing between our offices and our points of sales (this is the first year we are reporting electricity consumption at our points of sale) covered by our environmental management system. The unit water consumption figure relates to our offices only.

CONSUMPTION

	unit	2021/22	2022/23	2023/24
Gasoline 95	l	1,901.44	2,629.41	8,256.57
Gasoline 98	l	0	0	248.7
Diesel oil	l	22,475.55	27,496.70	26,941.41
Electricity in offices	kWh	312,198.00	431,207.89 (1)	464,717.55
Electricity in sales points	kWh	no data available	no data available	751,233.31 (2)
Water (3)	m^3	1,642.06	1,301.38	1,363.65

(1) The FY 2022/23 office electricity consumption figure has been recalculated as we have since been able to generate the consumption figures for our flagship showroom (28% of total office consumption) (in FY 2022/23, this figure was originally reported as 314,742,3 kWh).

(2) For the points of sale for which the consumption data were not available, their consumption was estimated using a point of sale with a similar floor area.

(3) The water consumption figures for the offices for which the data were not available were estimated using average consumption per m^3 at the offices which do report these figures.

Electricity consumption

Electricity consumption at our head offices and the offices covered by our environmental management system amounted to 464,717.55 kWh in FY 2023/24, growth of 8%. The main reason for the increase lies with the fact that in FY 2022/23 consumption in the Zaragoza and Granada offices was estimated, whereas in FY 2023/24 the real consumption data were used, i.e., their consumption was underestimated last year and that shortfall accounted for the 8% overall year-on-year increase.

In FY 2023/24, we reduced our environmental impact by purchasing certified renewable energy for nine of our offices, in addition to that already purchased for our head offices the year before. In total, our consumption of fully renewable energy accounted for 44% of total office consumption, up significantly from 14% the year before.

Water consumption

Our offices and points of sale used 1,363.65 m3 of water, which is 5% more than in FY 2022/23.

The year-on-year increase reflects a leak at the Palma de Mallorca office, which was quickly resolved.

Waste management

In FY 2023/24, non-hazardous and hazardous electric and electronic device waste (97 kg and 18 kg, respectively) was managed by an authorised handler.

WASTE

	unit	2021/22	2022/23	2023/24
Paper waste	kg	2,322	4,643	3,756
Toner waste	kg	69.0	66.5	30.0

The waste generated at our offices and points of sale is largely urban waste (packaging, organic materials and other urban waste), which is managed in accordance with the regulations in place in each municipality.

To prevent environmental damage, we encourage selective waste collection by installing recycling bins for each material, thanks to which we facilitate the recycling of paper, board, batteries, toner and electric and electronic devices, which is passed along to authorised handlers.

We encourage people not to use plastic in our offices. For example, we have replaced plastic water bottles in our meeting rooms with refillable glass bottles and filtered water dispensers.

In FY 2023/24, we generated 3,756 kg of confidential paper waste and 30 kg of toner waste, down 19% and 55% year-on-year, respectively. This waste corresponds to the consumption of the main raw materials used in our offices.

Emissions

We use the **operational control** approach to account for emissions. This method inventories the emissions generated by all of the facilities and vehicles over which the company has operational control nationwide in Spain. Operational control for the two Scopes measured is defined as follows:

Scope 1: The emissions generated directly by our facilities, including:

- Those generated by the combustion of fossil fuel (diesel and petrol) by our vehicle fleet.

Scope 2: The emissions generated as a result of the consumption of:

- Electricity at our offices and points of sale.

In FY 2022/23 we calculated our Scope 2 emissions using a market-based method for our offices only, estimating the electricity consumed by our flagship showroom. This year, **we recalculated the FY 2022/23 Scope 2 figures using market- and location-based emissions factors, including the flagship showroom's actual consumption.**

In another new development in FY 2023/24, we calculated the **Scope 2 emissions at our points of sale**, estimating their electricity consumption in the cases we did not have the required inputs on the basis of other points of sale with similar floor areas and activities.

EMISSIONS

		2022/23		2023/24	
	unit	Market-based	Location-based	Market-based	Location-based
Scope 1	tCO_2e	75.20	75.20	86.97	86.97
Scope 2	tCO_2e	89.38	68.99	256.62	145.92
Offices	tCO_2e	89.38	68.99	71.08	55.77
Sales points	tCO_2e	no data available	no data available	185.54	90.15
Total Emissions (Scope 1 + Scope 2)	**tCO_2e**	**164.58**	**144.19**	**343.59**	**232.89**

We use the operational control approach to account for emissions, which inventories the emissions generated by all of the facilities and vehicles over which we have operational control nationwide in Spain

The emissions factors used were:

- Scope 1: those provided by the Ministry of Green Transition
- Scope 2:
  - Market-based:
    - FY 2022/23: those published by the Ministry of Green Transition in 2021

      Iberdrola: 0.232 kg CO_2e; Endesa: 0.258 kg CO_2e; Fenie: 0 kg CO_2e; Syder: 0.201 kg CO_2e; Other: 0.259 kg CO_2e
    - FY 2022/23: those published by the Ministry of Green Transition in 2022

      Iberdrola: 0.270 kg CO_2e; Endesa: 0.272 kg CO_2e; Fenie: 0.267 kg CO_2e; Factor Energía: 0.255; Other: 0.273 kg CO_2e
  - Location-based:
    - FY 2022/23: that facilitated by Red Eléctrica in 2022, 0.16 kg CO_2e
    - FY 2023/24: that facilitated by Red Eléctrica in 2023, 0.12 kg CO_2e

Carbon footprint

AEDAS Homes ha generado unas emisiones de gases de efecto invernadero (GEI) a la atmósfera de 343,59 tCO_2e basadas en mercado. Esta huella de carbono abarca tanto las liberadas in situ por la empresa, asociadas al consumo de combustible de los vehículos de renting (Alcance 1), como las indirectas, asociadas a la generación de electricidad consumida (Alcance 2), siguiendo como metodología de cálculo el protocolo internacional Greenhouse Gas Protocol (GHG, por sus siglas en inglés).

In FY 2023/24, we conducted analysis to determine which **Scope 3** categories apply to us and which we consider material with the aim of calculating them in the coming years, as is set down in the ESG Strategic Plan.

The **Scope 3 categories** considered **material** for AEDAS Homes are:

Number	Category
1	Purchased goods and services
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
4	Upstream transportation and distribution
5	Waste generated in operations
6	Business travel
7	Employee commuting

The Scope 3 measurement includes the indirect emissions generated along a company's value chain. In the coming years will work to gather emissions values from our suppliers in order to be able to report our Scope 3 emissions.

To that end, and as part of our broader effort to raise supplier awareness, we have reworded our contract templates for construction firms to add new environmental clauses that stipulate specific commitments and requirements around environmental documentation, reporting and best practices which contractors need to follow when executing our developments.

Environmental best practices

Encouraging responsible practices

To raise employee awareness about the need to save resources and recycle, we placed posters with recycling guidelines and tips for saving natural resources in kitchens and bathrooms and on printers.

We marked international days related with the environment with awareness messages our employee portal. For example, we promoted International Day of Forests, World Energy Efficiency Day and World Environment Day.

Our self-sufficient after-sales trailers

Here at AEDAS Homes we also strive to reduce the environmental impact of our onsite sales offices. In FY 2022/23, we designed modular points of sale, built offsite, which can be moved and reused after a development is complete and in FY 2023/24, we created timber trailers for the provision of after-sales service.

These trailers, which blend in better than other formats, are fitted with solar panels to make them self-sufficient. Moreover, as they are mobile structures, they can be moved from one development to another.

Self-sufficient after-sales trailers

Climate change risk management

Climate change is one of the risks facing AEDAS Homes. Global warming caused by emissions is shaping significant climate change, including extreme climate events such as prolonged droughts and heatwaves, with grave consequences for the environment and human health.

The Board of Directors has approved our Climate Action Policy, which sets down the framework for articulating the company's strategy in line with its commitment to tackling climate change

Here at AEDAS Homes, we are aware of the sector's duty to contribute to the transition to a more sustainable economic, social and governance model. Our strategic commitments look beyond our regulatory requirements as we move out along the roadmap set by our **ESG Strategic Plan 2021-2023.**

The challenge implied by climate change prompted the Board of Directors to approve a **Climate Action Policy** in FY 2023/24. The new policy sets down the framework for articulating the company's strategy and business model in a manner that is compatible with its commitment to tackling climate change. One of the key thrusts of that policy is to layer climate change risks into the company's broader risk analysis, management and reporting effort. To that end, we analysed the risks associated with climate change in detail, assessing their materiality across the board with all of the business areas involved, and added the most significant risks to the AEDAS Homes risk map.

La Maquia (Alcalá de Henares)

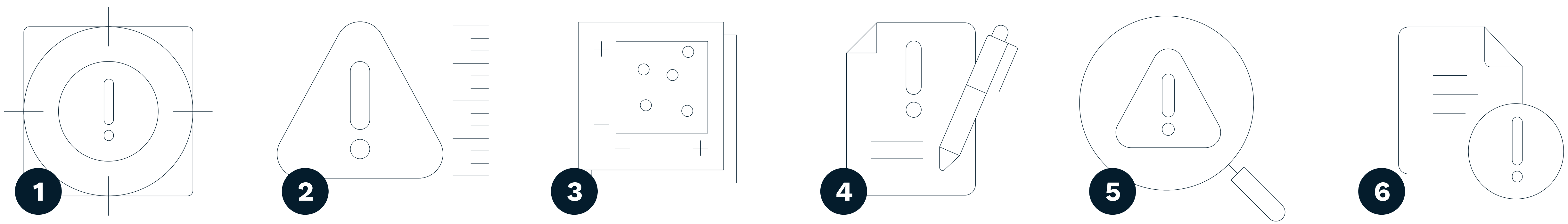
To conduct that detailed analysis, we followed the **recommendations issued by the Task Force on Climate-related Financial Disclosures** (TCFD) in order to effectively identify, assess and report on our climate risks.

Emulating the structure proposed by the TCFD, for the first time this year we are **presenting the results of that analysis as a new section of our FY 2023/24 Non-Financial Statement**, moved by our desire to exhibit enhanced transparency to our customers, investors and other stakeholders around our exposure to climate risks. The four main areas of the TCFD framework - governance, strategy, risk management and metrics and targets - and how they specifically apply to our company are outlined next.

Governance

At AEDAS Homes, we worked throughout the year to understand the different climate scenarios we may face in the short and longer term and the risks they pose.

In order to properly **identify, assess and manage the risks derived from climate change,** we took the following steps:



1 **Risk identification:** we identified the physical and transition climate change risks of relevance to us.

2 **Risk assessment:** with input from our experts, we assessed the following variables for each category: impact and probability of occurrence of the risk event in question.

3 **Creation of a climate change risk map** derived from the assessments allocated to each of the risk categories depicted.

4 **Definition of the risks considered critical:** according to the climate change risk map, the only risk currently classified as critical is "Difficulty in raising financing".

5 **Definition of the key performance indicators** for monitoring the risk factor deemed critical.

6 **Reporting on the work performed to the Audit and Control Committee,** which is the governing body tasked with supervising and evaluating the financial and non-financial information reporting process, a role that specifically includes the job of controlling and managing non-financial climate change risks.

Within the scope of the climate change risk management model, the **ESG Committee** works to ensure the correct implementation and supervision of the ESG Strategic Plan 2021-2023. That committee is made up of the Company's CEO, CFO, Chief Technology & Communications Officer and Chief Corporate Resources Officer, who has in turn assumed the role of ESG Coordinator. It is also in charge of compiling and analysing a quarterly report on milestones and indicators associated with the ESG Plan and for championing and supporting the emanating initiatives.

Strategy

We are working to become a beacon for sustainability in the residential development sector and have taken a number of steps in recent years to make that ambition a reality. Our goal is to be a fully sustainable home developer and contribute meaningfully to decarbonisation of the real estate sector.

In keeping with the current climate emergency, **we focused one of the lines of initiative of our ambitious ESG Strategic Plan 2021-2023 exclusively on climate change**. This Plan, which is aligned with the Sustainable Development Goals (SDGs), has eight lines of initiative which in turn encompass 27 concrete actions to be carried out.

That Plan sets out and defines our strategic priorities on the ESG front so that we can address, in line with best practices, the many challenges we and the broader sector will face in the coming years.

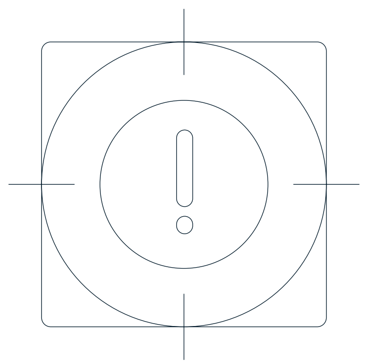
In parallel we worked to define a series of initiatives to contribute to the company's decarbonisation strategy. Those initiatives include:

- **ESG Policy:** officially sets down the company's lines of initiative in the ESG area, informed and framed by our mission and values and the promises made to our stakeholders.
- **Climate Action Policy:** establishes a framework for articulating the company's strategy and business model in a manner that is compatible with its commitment to tackling climate change.
- **Life Cycle Assessments (LCA) at all our developments:** LCAs were carried out at 100% of the developments completed in FY 2023/24, extending the milestone first attained in FY 2021/22. Moreover, with the help of a multidisciplinary internal taskforce, that analysis has allowed us to draw conclusions about which construction materials and solutions can reduce the carbon footprint of our developments.
- **Ecoliving®:** our own sustainability seal which certifies that all of our homes comply with our sustainability requirements and enjoy advanced energy efficiency and renewable energy production systems.
- **10-Point Environmental Sustainability Declaration:** created in 2021 and made up of 10 measures, under application today, to ensure that all of the company's homes are totally green, for example, by using renewable energy or managing water efficiently.
- **Green Book:** the company's flagship tool and document which sets down the sustainability measures to be implemented at our residential developments. Updated in 2021, it groups our environmental requirements into 10 categories: energy, health and wellbeing, water, waste, materials, mobility, biodiversity and integration, society, sustainable design and construction and offsite systems.
- **White Book:** this guide is designed to orient the sector around a shared objective: modernising the construction sector so that it produces housing faster and more efficiently and sustainably.

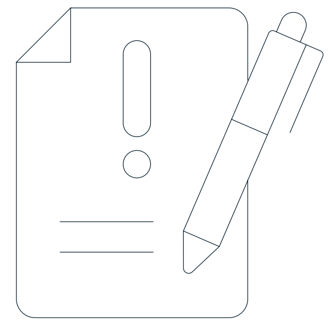
Risk management

In FY 2023/24, the Board of Directors instigated a **detailed review of the causes and consequences of the main risks associated with climate change**, starting with identification and assessment of the risks that could affect its business activity.

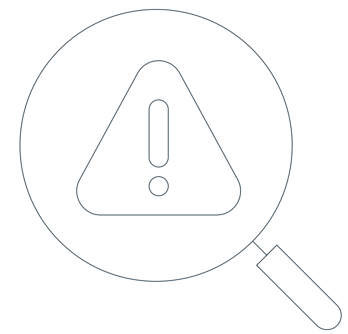
Following the recommendations published by the **TCFD** and the **COSO Enterprise Risk Management (ERM)** framework, we built our management of climate risks around the following methodology:



Risk identification: following the categories recommended by the TCFD, we identified our physical risks, related to the physical impacts of climate change, which may be event driven (acute) or longer-term shifts (chronic) in climate patterns, and our transition risks, derived from transition to a low carbon economy, including changes in regulations (policy and legal risks), public opinion (reputation risk), technology (technology risks) and stakeholder demands (market risks).



Risk assessment: having identified our climate risks, we assessed their potential impacts on the organisation, contemplating reputational, operational and financial aspects, and their probability of occurrence.



Risk monitoring and oversight: establishment of a plan for regularly tracking and reviewing the critical risks so identified by defining appropriate performance indicators and controls.

Integrated Annual Report 2023/24

+ Chairman's statement
+ CEO's statement

The year in brief

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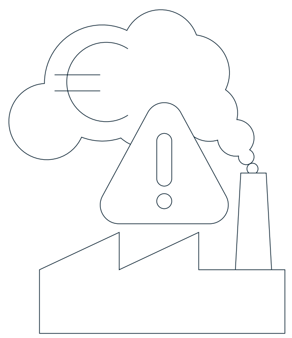
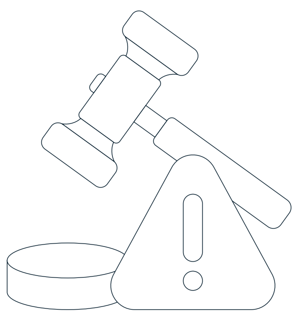
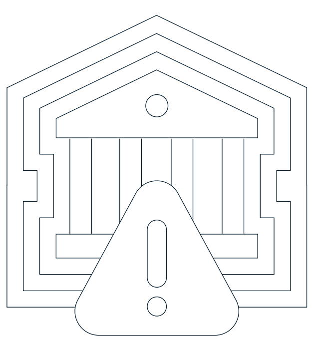
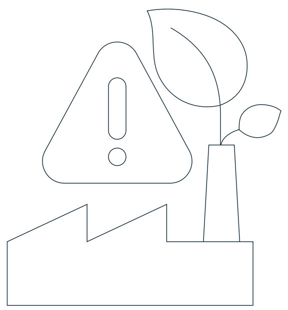
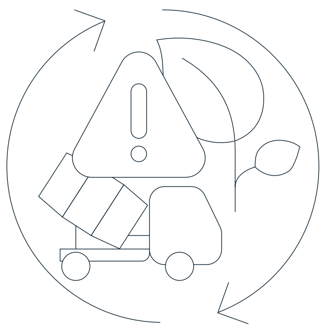
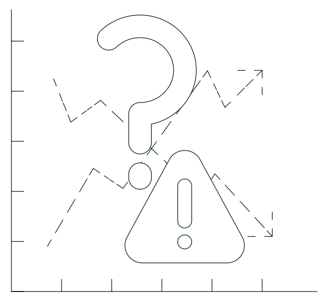
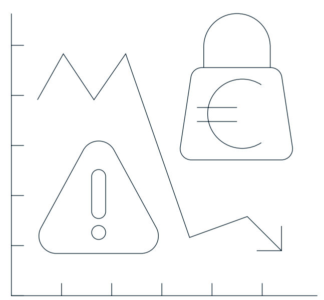
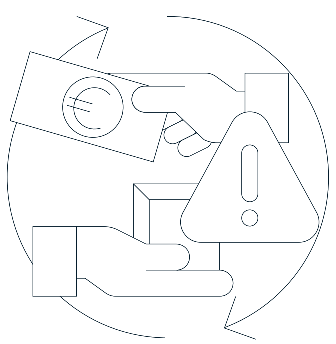
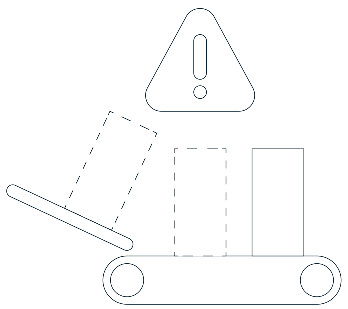
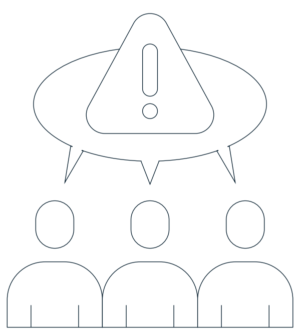
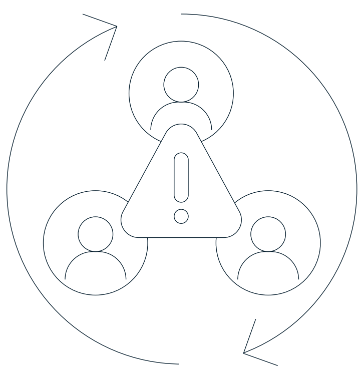
+ Data tables

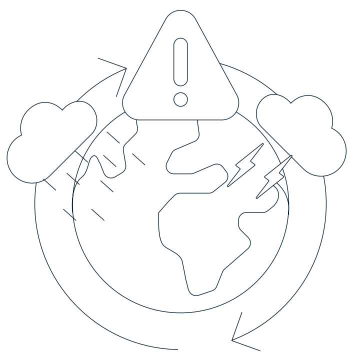
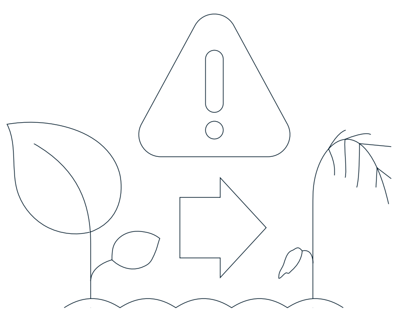
The risks we identified:

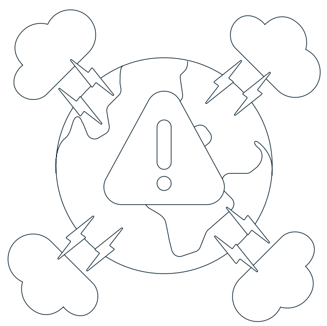
Risk			Description	Impact	Time horizon
Legal risks					
	1	**Increase in the price of GHG emission allowances**	Regulations are set to become tighter in an effort to nudge forward the transition to a carbon-free economy and that is likely to drive an increase in carbon taxes and the costs related with greenhouse gas emission allowances. It is important for companies to contemplate these costs when planning their investment strategies	Low	Short, medium and long term
	2	**Exposure to litigation**	The increase in regulatory requirements related with climate change action increases the risk that the company could face litigation and fines for breach of its legal obligations. Moreover, breaches by third parties could have repercussions for AEDAS Homes' operations	Low	Short, medium and long term
	3	**Over-regulation and regulatory changes**	The introduction of new regulations at the national and international levels related with climate change and sustainability. Those regulations could include stricter requirements around non-financial reporting and/or the management and reduction of greenhouse gas emissions	Low	Short term

Risk			Description	Impact	Time horizon
Technology risks					
	4	**Adaptation for low-emissions solutions**	Replacement of the products and services currently offered by the company with lower-carbon alternatives to reduce reliance on fossil fuels	Medium	Short and medium term
	5	**Substitution of existing technology with new and cleaner alternatives**	Replacement of the technology currently used by the company in its operations so as to phase in more sustainable and environmentally-friendly services that reduce reliance on fossil fuels	Low	Medium term

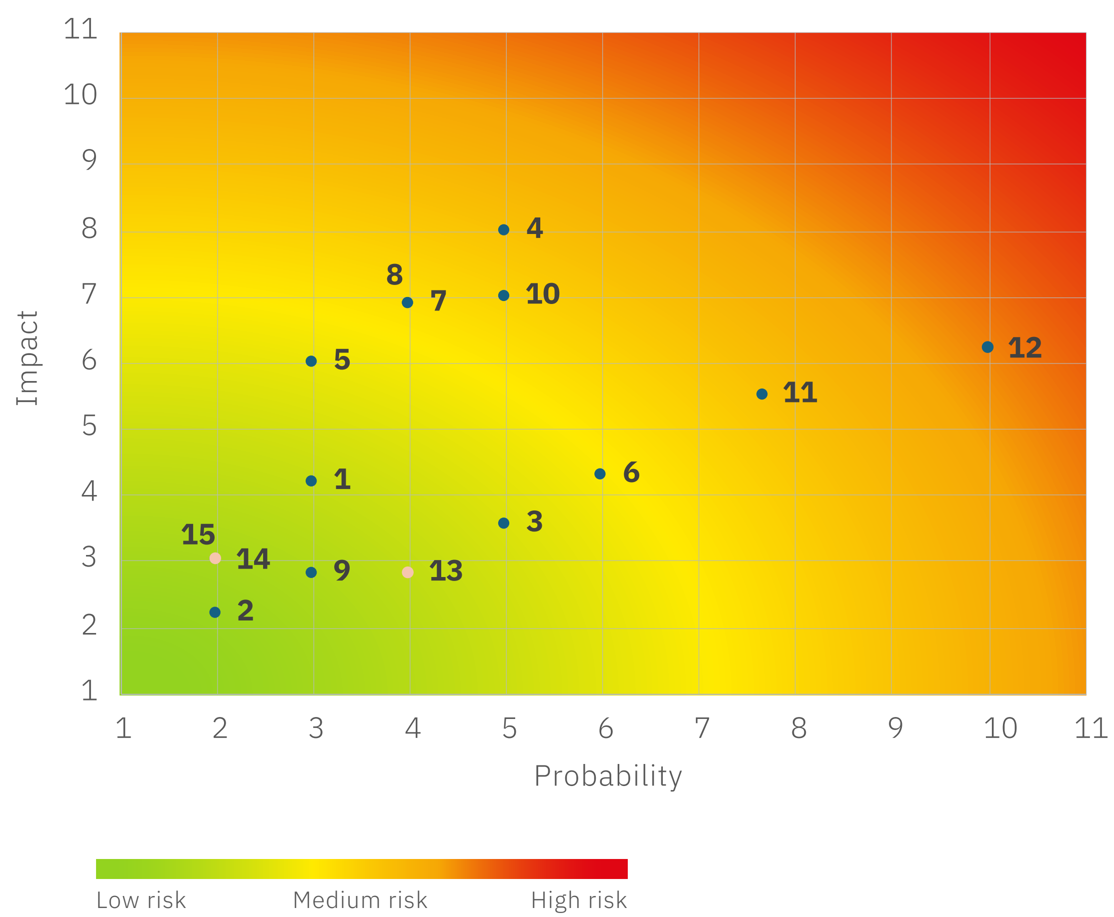
Risk			Description	Impact	Time horizon
Market risks					
	6	**Lack of definition or clarity around market requirements and/or indicators**	Possibility that the signals or indicators used by investors and companies to take investment or business decisions could be unclear or contradictory	Low	Medium and long term
	7	**Shifts in consumer trends**	Changes in customer consumption and purchase patterns that could have an adverse impact on AEDAS Homes' sales	Low	Medium and long term
	8	**Changes in supply and demand for certain raw materials, technologies, products and services**	Changes in supply and demand patterns for certain products, raw materials or technologies that are more sustainable and in demand at the company	Low	Short and long term

Risk			Description	Impact	Time horizon
	9	**Supply chain disruption**	Goods and services supply chain friction or interruptions. This could take place at any stage in the supply chain, from production to final delivery to the end customer	Low	Short and long term
Reputational risks					
	10	**Sector reputation**	The products and services associated with high carbon emissions are facing growing pressure and a slump in demand as a result of growing concern over climate change and environmental sustainability among consumers and other stakeholders	Low	Long term
	11	**Changes in stakeholder conduct**	Growing concern about the environmental issue among our various stakeholders is triggering changes in their behaviour and demands	Medium	Medium and long term

Risk			Description	Impact	Time horizon
	12	**Difficulty in raising financing**	The growing importance of ESG aspects when it comes to providing corporate finance could restrict the company's financing options by imposing certain requirements related with sustainability and climate action in order to grant access that financing	High	Short term
Chronic physical risks					
	13	**Changes in weather patterns**	Alterations in the frequency, intensity, duration and distribution in time of the climate events that produce precipitation, such as rain, snow and hail, and in wind patterns and temperature and humidity conditions that could affect the company's assets or supply chain continuity	Low	Long term
	14	**Soil degradation (subsidence)**	Instability or modification of land	Low	Long term

Risk			Description	Impact	Time horizon
Acute physical risks					
	15	**Increase in the frequency and severity of extreme weather events**	Increase in the occurrence and severity of extreme weather or climate events as a result of climate change: fires, cyclones, tornadoes, droughts, floods. These events can cause direct losses by harming workers or damaging company infrastructure or other assets	Low	Short and long term

CLIMATE CHANGE RISK MAP



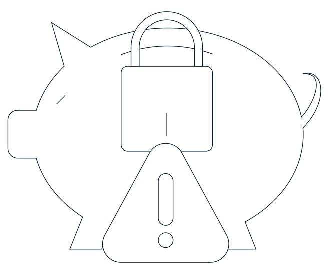
1. Increase in the price of GHG emission allowances
2. Exposure to litigation
3. Over-regulation and regulatory changes
4. Adaptation for low-emissions solutions
5. Substitution of existing technology with new and cleaner alternatives
6. Lack of definition or clarity around market requirements and/or indicators
7. Shifts in consumer trends
8. Changes in supply and demand for certain raw materials, technologies, products and services
9. Supply chain disruption
10. Sector reputation
11. Changes in stakeholder conduct
12. Difficulty in raising financing
13. Changes in weather patterns
14. Soil degradation (subsidence)
15. Increase in the frequency and severity of extreme weather events

Metrics and targets

To monitor our response to climate change risks, we have drawn up a number of **performance indicators** to measure and manage the risk factor deemed 'critical'.

Considering the magnitude of the impact of the risk assessed and its probability of occurrence, we have identified the following metric to be monitored due to its possible consequences for the company.

In the coming years, we will work on devising and defining actions to drive our climate change mitigation effort



	Risk	KPI	Target	FY 2023/24 results	Assessment
12	Difficulty in raising financing	Building energy ratings: Score for **consumption of non-renewable primary energy** at completed developments: % of developments completed in the fiscal year that attain an **energy rating of A**	≥ 50%	62%	Annual
		Building energy ratings: Score for **carbon emissions** at completed developments: % of developments completed in the fiscal year that attain an **energy rating of A**	≥ 60%	83%	Annual
		Carbon footprint calculation (Scope 1, 2 and 3): Calculation during fiscal year of carbon footprint (Scope 1, 2 and 3):	Carry out the calculation	Scope 1 and 2 calculations complete. Scope 3 to be measured in the coming years.	Annual

During the coming years, we will work on **devising and defining actions to drive our climate change mitigation effort** by reducing emissions, setting specific metrics and targets and monitoring the risks identified.

Specifically, the targets and metrics we define will contribute to the long-term targets we set for ourselves and thereby help combat the dramatic consequences threatened by climate change.

Corporate governance

Nerva (Denia)

Corporate governance model

Our effective corporate governance model is articulated around delivering our corporate targets and generating stakeholder confidence. Underpinned by a code of ethics, prevailing legislation and best practices in governance, we have configured a set of internal rules and regulations to define how our governing bodies work, regulate our dealings with third parties and ensure appropriate risk management.

AEDAS Homes' corporate purpose is to acquire, permit, manage, market and develop properties for holding, use, management, sale or lease.

AEDAS Homes has its headquarters in Madrid and operates six Regional Branches, which are located in the key markets for new-build homes in Spain:

Centre Regional Branch
Madrid and Valladolid

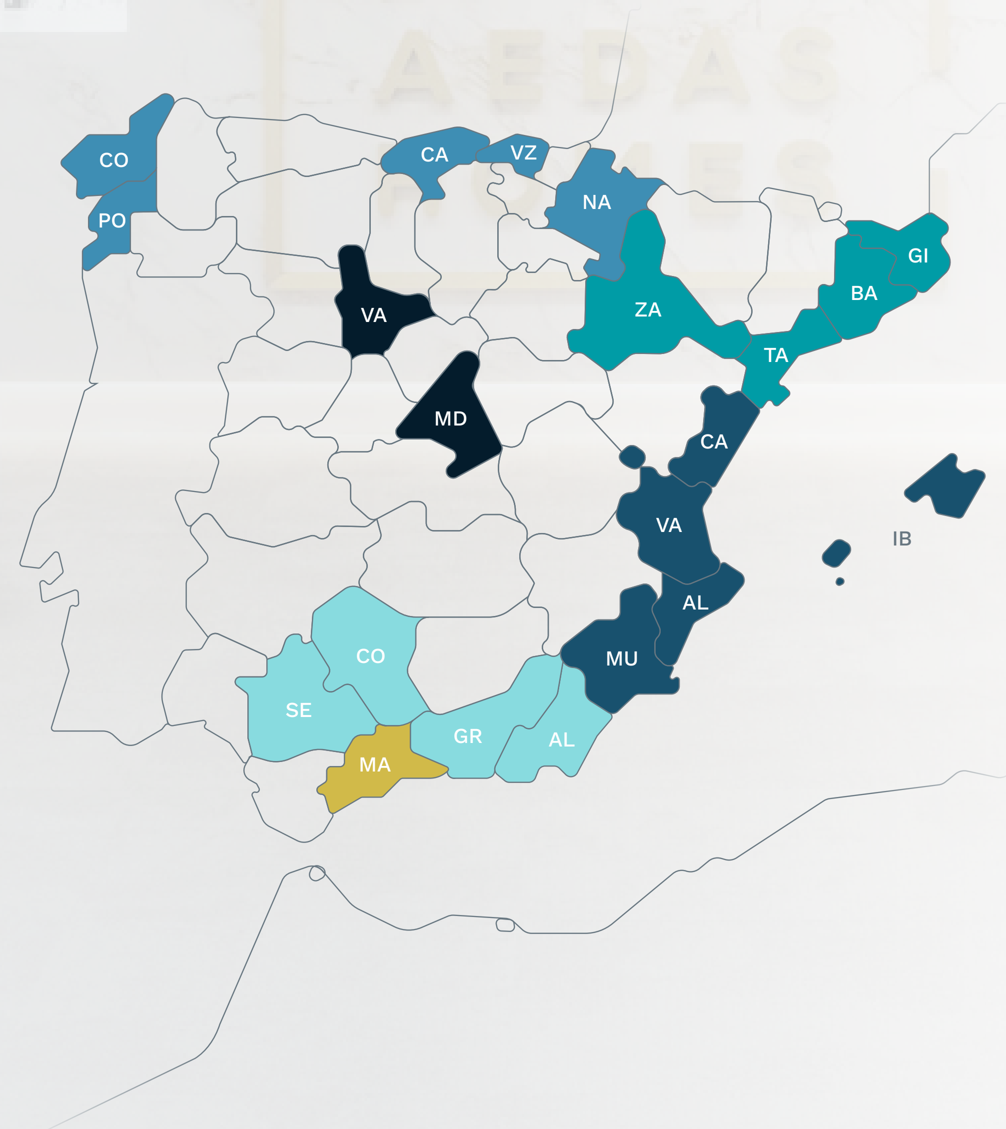
Catalonia & Aragon Regional Branch
Barcelona, Tarragona, Girona and Zaragoza

East & Mallorca Regional Branch
Valencia, Alicante, Murcia, Castellón and Baleares

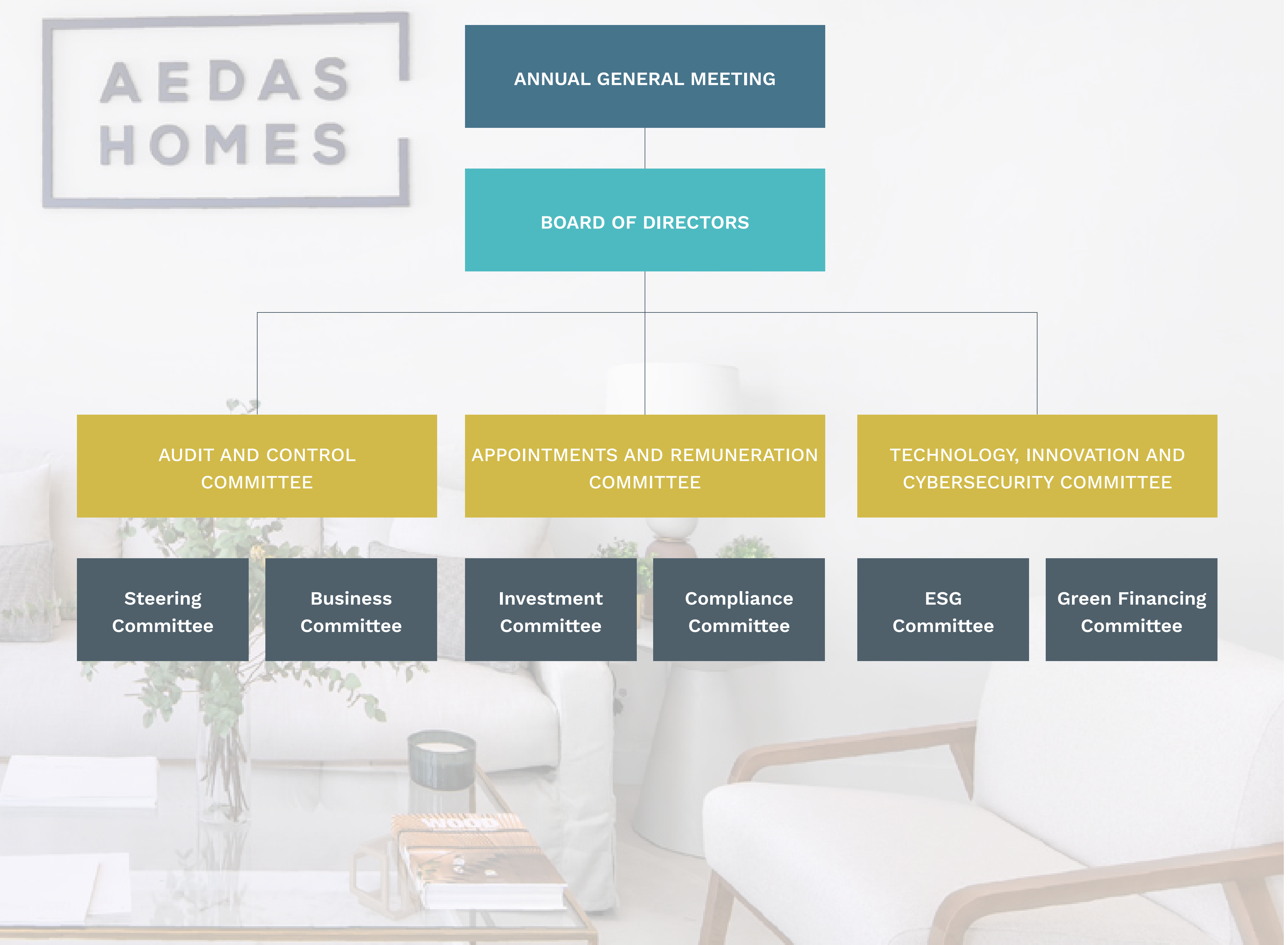
Andalusia & Canaries Regional Branch
Seville, Granada, Cordoba, Almeria,
Santa Cruz de Tenerife and Las Palmas

Costa del Sol Regional Branch
Malaga

North Regional Branch
Pontevedra, Coruña, Navarre,
Cantabria and Vizcaya



In FY 2023/24, AEDAS Homes continued to bolster its corporate governance model, updating and defining policies and renewing certification of its compliance management system under UNE 19601.



Governing bodies

Our solid corporate governance structure facilitates strategic decision-making. At the top of this structure are our Annual General Meetings and Board of Directors, who diligently govern, administer and represent the company. The board is assisted by three committees, which in turn rely on other company committees for assistance.

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

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

The **Board of Directors** is made up of seven members. Four are independent directors, one is proprietary, one is external and the seventh is an executive director.

It is regulated by the Board Regulations, the purpose of which is to set the guidelines governing its actions, the basic rules governing how it is organised and run, the rules of conduct its members must abide by and the directors' duties. The Board Regulations were approved by the Board of Directors itself and duly provided to the shareholders in general meeting.

AEDAS Homes has a **Director Selection Policy**, which was approved by the Board of Directors on 5 November 2019, at the recommendation of its Appointments and Remuneration Committee. That policy is specific and verifiable and ensures that proposals for the appointment or re-election of directors are based on prior analysis of the board's needs and foster a broad mix of knowledge and experiences, as well as gender diversity. That policy specifies the skills and expertise required of the company's directors. It is formulated to ensure that the Board of Directors is at all times made up of prestigious professionals with sufficient availability and commitment for the duties vested in them.

With this policy, the Board of Directors wants to likewise ensure that director appointment proposals are aligned with prevailing governance recommendations and lead to informed and substantiated decision-making. This document factors in the guidance provided in the securities market regulator's Technical Guide on nomination and remuneration committees (CNMV Technical Guide 1/2019).

AEDAS Homes has a Director Selection Policy, which was approved by the Board of Directors in November 2019, at the recommendation of its Appointments and Remuneration Committee.

The Board of Directors has set up the following **BOARD COMMITTEES**:

- The **Audit and Control Committee**, made up of three directors, two of whom independent (including its chairman) and the third, other external.

  Article 14 of the Board Regulations regulates the Audit and Control Committee, its composition, its powers and its *modus operandi*.

- The **Appointments and Remuneration Committee**, made up of three directors, two of whom are independent (including its chairwoman) and the third, proprietary.

  Article 15 of the Board Regulations regulates the Appointments and Remuneration Committee, its composition, powers and *modus operandi*. That committee also has its own specific regulations (adapted for CNMV Guide 1/2019 on nomination and remuneration committees).

- The **Technology, Innovation and Cybersecurity Committee**, made up of three directors, one of whom (the committee chairwoman) is independent, one proprietary, and the third, the CEO. This committee has a fourth member, a company executive who is an expert in the matters under its purview.

  Likewise, there are specific regulations addressing the composition, powers and rules of operation of this committee.

  For more information about the composition, powers and rules of operation of the board and its committees, please visit the corporate website:
  https://www.aedashomes.com/en/investors/corporate-governance/directors-board

The company also has the following **EXECUTIVE COMMITTEES**:

- A **Steering Committee**, a **Business Committee** and an **Investment Committee**, all of which made up of company executives. The rules of operation, composition and powers of each of those committees are set down in regulations approved by the company's CEO.

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

- An **ESG Committee**, created to ensure the correct implementation and supervision of the ESG Strategic Plan 2021-2023, made up of AEDAS Homes' CEO, CFO, Chief Technology and Communications Officer and Chief Corporate Resources Officer, who has in turn assumed the role of ESG Coordinator. The ESG Committee is tasked with reviewing the ESG Plan dashboard. It is also in charge of compiling and analysing a quarterly report on milestones and indicators associated with the ESG Plan and for driving and supporting the emanating initiatives.

- A **Green Financing Committee**, whose mission is to monitor the projects in which to invest the proceeds raised from the bonds issued in 2021. That committee is made up of the CEO, COO, CFO and Chief Corporate Resources Officer.

Annual General Meeting

As the highest decision-making and control body in respect of the matters within the shareholders' purview, the **Annual General Meeting**, duly called and convened, **represents all of the company's shareholders**, all of whom are bound by its resolutions, including any shareholders voting against them or not in attendance, notwithstanding their right to contest resolutions in certain circumstances under applicable company law, the AEDAS Homes' Bylaws or the AGM Regulations.

The **FY 2022/23 Annual General Meeting** was held in Madrid on **20 July 2023** with a quorum of 81.58% of share capital.

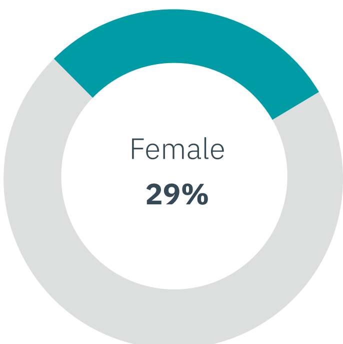
FY 2022/23 AGM AGENDA:

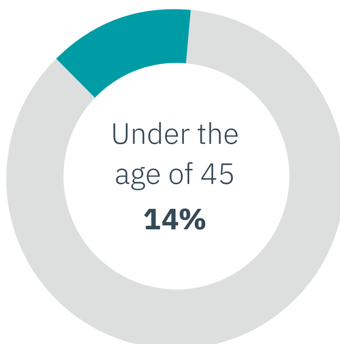
1. Approval of the **separate and consolidated financial statements** for the year ended 31 March 2023.
2. Approval of the **separate and consolidated management reports**, except for the non-financial information, for the year ended 31 March 2023.
3. Approval of the **consolidated non-financial information** included in the consolidated management report for the year ended 31 March 2023.
4. Grant of **discharge to the members of the Board of Directors** for their management and actions during the year ended 31 March 2023.
5. Approval of the **motion for the appropriation of profit** for the year ended 31 March 2023.
6. **Re-election of directors:**
   - Re-election of Mr. **David Martínez Montero** as executive director for the statutory term of three years.
   - Re-election of Mr. **Santiago Fernández Valbuena** as independent director for the statutory term of three years.
   - Re-election of Mr. **Eduardo D'Alessandro Cishek** as proprietary director for the statutory term of three years.
   - Re-election of Mr. **Javier Lapastora Turpín** as independent director for the statutory term of three years.
   - Re-election of Ms. **Cristina Álvarez Álvarez** as independent director for the statutory term of three years.
7. Re-election of **Ernst and Young, S.L.** as auditor of the financial statements of the company and its consolidated group for FY 2023/24, 2024/25 and 2025/26.
8. Approval of the proposed **amendments to the Director Remuneration Policy.**
9. Approval of the **delivery of company shares to the CEO under the scope of the 2021-2026 Long-Term Incentive Plan.**
10. Approval of a **capital reduction via the cancellation of 3,106,537 own shares** and the attendant **amendment of article 5 of the company's Bylaws.**
11. **Delegation of powers to formalise, place on public record and execute the resolutions** ratified.
12. **Advisory vote on the annual director remuneration report** for the year ended 31 March 2023.

All 12 resolutions were carried.

Board of Directors

The members of the Board of Directors of AEDAS Homes were selected in keeping with the most stringent diversity, competence and suitability criteria.

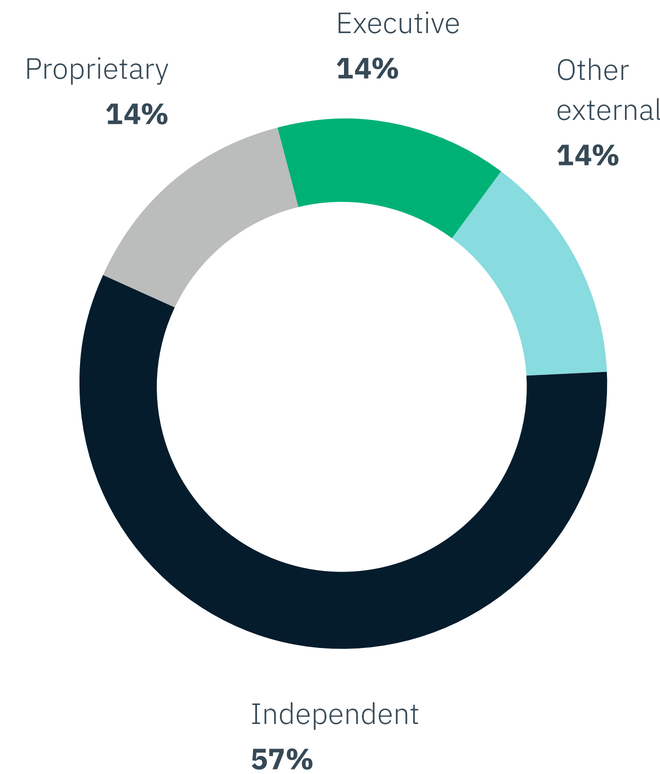




Each director brings more than 20 years' experience

Middel Views III (Fuengirola)

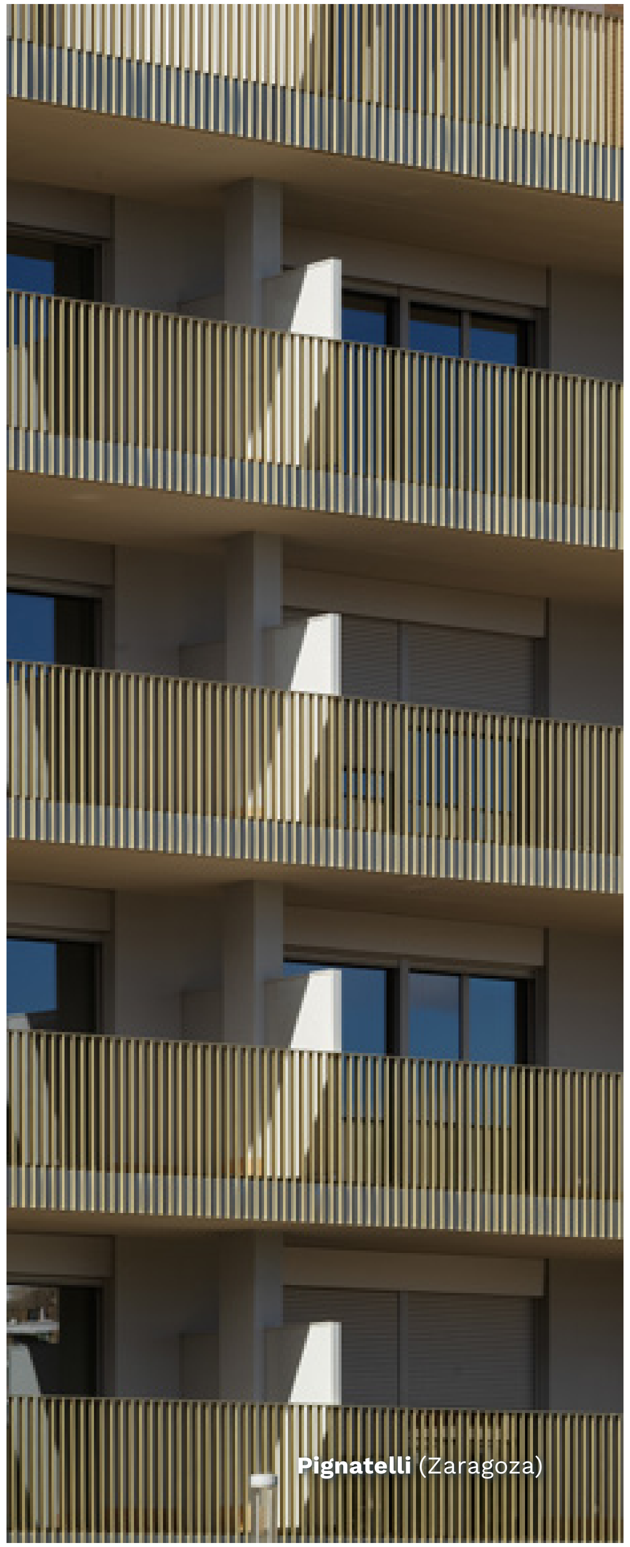
COMPOSITION OF THE BOARD OF DIRECTORS



In FY 2023/24, the **Board of Directors** met on the following dates:

- 26 April 2023
- 30 May 2023
- 6 June 2023
- 19 July 2023
- 2 July 2023 (in writing, no face-to-face meeting)
- 9 August 2023
- 10 October 2023
- 2 November 2023
- 28 November 2023
- 14 February 2024
- 13 March 2024
- 17 March 2024 (in writing, no face-to-face meeting)
- 19 March 2024 (in writing, no face-to-face meeting).

The most important matters addressed at those meetings
Business update
Financial information
Evaluating the CEO's performance in terms of bonus target delivery for FY 2022/23
Financial statement issuance authorisation
Monitoring of the ESG Strategic Plan 2021-2023
Annual General Meeting (call, resolutions, reports)
Approval of manuals and policies (including revision of the Compliance Manual and approval of the Anti-Trust Policy, Whistleblowing Channel Policy and Procedure, Climate Action Policy and ICT Security Policy, etc.)
Approval of a Retention Plan
Approval of the independent AML expert's Remediation Plan
Proposed update of the CEO's remuneration
Presentation and approval of the AIAF commercial paper programme for retail investors
Re-election of David Martínez Montero as the company's CEO, delegating in him all powers and duties other than those reserved to the board by law or under the company's Bylaws
Approval of the corporate calendar for 2024
Approval of a non-binding offer for an investment project and its subsequent cancellation
Establishment of the CEO's targets for annual bonus purposes
Approval of a new Business Plan
Approval of the new ESG Strategic Plan 2024-2026



Approval of the general expenditure budget for FY 2024/25
Approval of a related party transaction
Approval of certain opportunities and initiatives, such as investment in land and a co-investment
Approval of the distribution of an interim dividend
Debate about company strategy
Follow-up on the corresponding cycles of the LTIP 1 and 2: metric establishment, evaluation of target attainment, distribution of rollover shares and their approval with respect to the CEO
Modification of the Succession Plan for the company's chairman and for its CEO
Reports from the chairs of the Audit and Control Committee, Appointments and Remuneration Committee and Innovation, Technology and Cybersecurity Committee on the items discussed at their respective meetings
Self-assessment of the performance of the board and its committees and the related action plans
Appointment of a new member to the Audit and Control Committee
Appointment of a new chairwoman and two new members to the Appointments and Remuneration Committee

The board's **COMMITTEES** in turn met as follows:

The **Audit and Control Committee** sat **nine times**: 26 April 2023, 30 May 2023, 19 July 2023, 10 October 2023, 28 November 2023, 7 February 2024, 14 February 2024, 13 March 2024 and 16 March 2024.

The **Appointments and Remuneration Committee** also met **nine times**: 26 April 2023, 30 May 2023, 6 June 2023, 19 July 2023, 10 October 2023, 28 November 2023, 15 January 2024 (in writing, no face-to-face session), 14 February 2024 and 13 March 2024.

The **Innovation, Technology and Cybersecurity Committee** met **four times**, as follows: 27 June 2023, 24 October 2023, 13 December 2023 and 7 March 2024.

Director profiles

SANTIAGO FERNÁNDEZ VALBUENA

Chairman of the Board

Appointment to the Board and duties

Santiago Fernández Valbuena joined the Board of Directors of AEDAS Homes as an independent director in September 2017 and was re-elected by the company's shareholders at the Annual General Meetings held in June 2020 and July 2023. He has chaired the Board of Directors since September 2017 and also sits on the Audit and Control Committee, which he chaired from November 2021 until November 2022..

Professional and academic background

Santiago Fernandez Valbuena (1958) is Vice-President at EBN Bank and has been a proprietary director there since 2015. He has served as a director of Mapfre Brazil since 2019. He presided Telefónica Latin America between 2011 and 2014. At Telefónica, he also worked as Managing Director of Finance and Strategy (2010-2011) and Managing Director of Finance and Corporate Development (2002-2010). Prior to his tenure at Telefónica, he was CEO of Fonditel, Managing Director at Société Générale Valores and Head of Equities at Beta Capital.

Santiago brings unrivalled experience in the real estate and construction sectors. From 2008 to 2021, he served as an independent director and member of the Audit Committee at Ferrovial, S.A., a Spanish multinational devoted to the design, construction, financing, operation and maintenance of transport infrastructure. Between 1999 and 2007, he was Vice-President of Metrovacesa, S.A., a major Spanish real estate company. Today Santiago also sits on the boards of the following companies: Investtech, Mapfre Internacional and Brasilseg.

He is a tenured professor at Madrid's Complutense University (currently on sabbatical) and has also lectured at Murcia University. He has also taught at IE Business School. Santiago holds a Bachelor's Degree in Economics from Madrid's Complutense University and an Master's and PhD in Economics from Northeastern University in Boston.

He holds 220,727 AEDAS Homes shares. He has no stock options and no relationship with other company directors or executives..


Silgar (Sanxenxo)

DAVID MARTÍNEZ MONTERO

Chief Executive Officer

Appointment to the Board and duties

David Martínez Montero has been AEDAS Homes' CEO since 2016 and was re-elected at the Annual General Meetings held in June 2020 and July 2023. He also sits on the Technology, Innovation and Cybersecurity Committee.

Professional and academic background

David Martínez Montero (1970) has been AEDAS Homes' CEO since its creation in 2016. He has 25+ years' experience leading top real estate developments in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Before taking on those leadership roles, he worked as a project manager at Bovis and a construction manager at Ferrovial.

Since 2019, David has chaired REBUILD, Spain's leading event to drive innovation, sustainability and digitalisation in the construction sector. He is a member of the Urban Land Institute's Spanish Council, where he is actively involved in ULI's mentoring programme. He also teaches short courses, master's degrees and other post-graduate programmes at a number of centres in Spain, including IE School of Architecture and Design, UPM and UNIR.

David is a civil engineering graduate from Madrid's Polytechnic University (UPM) and holds an Executive MBA from IESE Business School.

He holds 103,254 AEDAS Homes shares. He has no stock options and no relationship with other company directors or executives..

EDUARDO D'ALESSANDRO CISHEK

Proprietary director

Appointment to the Board and duties

Eduardo D'Alessandro Cishek joined the Board of Directors of AEDAS Homes as a proprietary director in representation of Hipoteca 43 Lux S.A.R.L., in September 2017. He was re-elected at the Annual General Meetings held in June 2020 and July 2023. He also served on the Audit and Control Committee until 30 May 2023. He currently sits on the Technology, Innovation and Cybersecurity Committee. He joined the Appointments and Remuneration Committee on 30 May 2023.

Professional and academic background

Eduardo D'Alessandro Cishek (1980) has been a partner at Castlelake since 2018, where he heads up the real estate assets team. His primary focus is on originating investment opportunities in transitional real estate, infrastructure, renewables and power stability, and sub- and non-performing loans. He is also a member of the firm's Investment Review Committee. Previously, he led the firm's Spanish land banking investment strategy and was also responsible for executing its investment strategy in Portugal, Italy and Greece, the UK and Ireland.

His expertise includes direct real estate asset and non-performing loan opportunities, as well as equity public offerings. He currently sits on the board of Millenium Hotels Real Estate SOCIMI, S.A.

Before joining Castlelake in 2011, Eduardo was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe and an investment associate at CarVal Investors (CVI) within the Loan Portfolio Group, where he worked on non-performing loan and real estate investments in the UK, Germany and Spain.

He graduated cum laude with a Bachelor of Science in Finance from Manhattanville College (New York) and holds an MBA from the London School of Economics.

He has no AEDAS Homes shares or stock options.

Pignatelli (Zaragoza)

MILAGROS MÉNDEZ UREÑA

Independent director

Appointment to the Board and duties

Milagros Méndez Ureña joined the Board of Directors of AEDAS Homes as an independent director in April 2019; her designation was ratified by the company's shareholders at the Annual General Meeting held in May 2019. She was later re-elected in June 2022. She was a member of the Appointments and Remuneration Committee from July 2022 until 30 May 2023. She was named Chairwoman of that same committee from 31 May 2023.

Professional and academic background

Milagros Méndez Ureña (1960) sits on the Advisory Committee at Mercer Consulting, a position she has returned to after holding executive positions at the firm for the last five years. She brings extensive expertise thanks to an established and successful career in the financial markets and launching and developing new projects.

Before joining Mercer in 2019, Milagros was senior advisor to Innova Health Private Equity for Spain, Portugal and the UK (2017-2019) and senior advisor to Alma Capital Asset Management (2017-2018). In 2015, she started up Aldebaran Advisory as founder and managing partner, working with Banco Sabadell on a project basis, after previously heading up that bank's Business Development, New Markets and Agents area. She was Director of Institutional Fixed Income Distribution, Equity and Derivatives at Interdin Sociedad de Valores y Bolsa (2005-2013), after having joined Afina Capital Management in 2000, creating a securities company as founder and managing director.

She has also worked as the Head of Treasury and Capital Markets at Banco Urquijo (1996-1999), was a founding member of FG Inversiones Bursátiles, Sociedad de Valores y Bolsa, where she headed up fixed income (1988-1996) and did a stint in Capital Markets and Fixed Income Distribution at Continental Bank (1986-1988). She got her start as a pesetas broker at Intermoney (1982-1986), during which time she published a book titled "A year in the currency market".

Milagros holds a Bachelor's Degree in Law and an Associate's Degree in Business Administration from Pontificia de Comillas University (ICADE, former E-1) and a Master's Degree in Derivatives from San Diego State University.

She holds 920 AEDAS Homes shares. She has no stock options and no relationship with other company directors or executives.

Nerva (Denia)

JAVIER LAPASTORA TURPÍN

Independent director

Appointment to the Board and duties

Javier Lapastora Turpin joined the Board of Directors of AEDAS Homes as an independent director in September 2017 and was re-elected by the company's shareholders at the Annual General Meetings held in June 2020 and July 2023. He sits on the Audit and Control Committee, which he chaired from 2017 until November 2021 and from 2022 until the present day..

Professional and academic background

Javier Lapastora Turpín (1966) was a partner at PwC from 2002 to 2015, where he led PwC Spain's construction and real estate area from 2007 to 2011 and was managing partner of the audit and assurance practice from 2011 to 2015.

He is currently an entrepreneur with interests in a range of companies focused on investment, project management, real estate and franchising, as well as being a member of the Economic Council and chair of the Audit Committee of the Archdioceses of Madrid.

Since 2021, Javier has been an independent director at Banco Alcalá (Crèdit Andorrà Financial Group), since 2017, at Mostostal Warzawa, SA, a leading listed company in the construction sector in Poland, whose products include residential buildings and housing developments; and since 2016, at Servicios Financieros Carrefour EFC, SA.

He has been a proprietary director at Connemara Properties, SL since 2018; at Westhill Investments, SL, since 2017; Clonmacnoise Developments, SL, Kilmore Management Services, SL, and Tullamore Properties, SL, since 2015; Bazkariak Kalitate, SL until 24 March 2024.

Javier holds a Bachelor's Degree in Economics and Business Administration from CUNEF and has completed IE Business School's executive development programme (PDD). He is a registered auditor in Spain (ROAC) and a member of the Institute of Chartered Accountants of Spain (ICJCE).

He holds 1,579 AEDAS Homes shares. He has no stock options and no relationship with other company directors or executives.

Bonavía (Valladolid)

CRISTINA ÁLVAREZ ÁLVAREZ

Independent director

Appointment to the Board and duties

Cristina Álvarez Álvarez joined the Board of Directors of AEDAS Homes as an independent director in October 2017 and was re-elected by the company's shareholders at the Annual General Meetings held in June 2020 and July 2023. Cristina chairs the Technology, Innovation and Cybersecurity Committee and also served on the Appointments and Compensation Committee from October 2017 until July 2022. She rejoined the Appointments and Remuneration Committee on 30 May 2023.

Professional and academic background

Cristina Álvarez (1969) is currently the Head of Technology and Operations in Spain and Europe at Banco Santander where she previously served as Global Chief Technology Officer (2019-2022). She is a senior executive with 30+ years of professional experience in the telecommunications and technology sector, at companies of the calibre of Cast, a software intelligence company where she worked as global advisor (2018-2019), Telefónica (2006-2017), where she was Chief Information Officer (CIO) and Managing Director of Services Development, as well as serving on the Executive Committee of Telefónica Spain (2009-2017); and Vodafone (1996–2006), where she worked as Chief Information Officer (CIO) and Director of Product Engineering. Since May 2022, Cristina has served as a proprietary director on the Board of Banco Santander Portugal, and since January 2020, she has served as a proprietary director on the Board of Openbank. She was previously an independent director at Sacyr (2018-2019), a global infrastructure, services and industrial projects company.

Cristina is a telecommunications engineering graduate from Madrid's Polytechnic University (UPM), and has completed IESE's executive development programme (PDD). She has been awarded numerous prizes, including "Engineer of the year" by COIT/AEIT (2016), the AUTELSI Award in recognition for her professional career in ITC (2017), and "Digital Leader" by Cionet (2016). Having been the Academic Director for the Executive Master's in Digital Transformation and Innovation Leadership at IE Business School (2017-2022), Cristina is currently a senior advisor to IE Business School.

She has no AEDAS Homes shares or stock options and no relationship with other company directors or executives.

JAVIER MARTÍNEZ-PIQUERAS BARCELÓ

'Other external' director

Appointment to the Board and duties

Javier Martínez-Piqueras Barceló joined the Board of Directors of AEDAS Homes as an independent director in October 2020; his designation was ratified by the Company's shareholders at the Annual General Meeting held in June 2021. He is currently classified as an "other external" director (since November 2021). He joined the Audit and Control Committee on 31 May 2023.

Professional and academic background

Javier Martínez-Piqueras (1973) has been Senior European Advisor to Castlelake since November 2021 and Strategy Advisor to Grupo Ibereólica Renovables since February 2021. He brings a wealth of experience from his 23+ years in investment banking, specialising in equity capital markets (ECM). He was Global Head of Equity Capital Markets & Corporate Solutions at UBS, leading a team of 120 professionals across the globe (2012-2019), and prior to his tenure at UBS, he was with Bank of America Merrill Lynch, becoming Managing Director Head of ECM and Corporate Equity Derivatives for Iberia (1997-2012).

Javier has wide-ranging experience advising large company boards at a global level on capital and equity related solutions and a deep understanding of the real estate sector. In October 2023, he joined the board of Jungle 21, S.A., a Euronext-listed company that represents an ecosystem of 12 communication, design and creativity agencies, where he serves as an independent director. In July 2020, he joined the board of Millenium Hospitality Real Estate, a listed company that specialises in developing and investing in luxury hotels; he is also a member of its Real Estate Executive Committee and chairs its Investment and Strategy Committee.

Javier holds a dual Bachelor's Degree in Business Administration and Law from Pontificia de Comillas University (ICADE E-3).

He has no AEDAS Homes shares or stock options. Through his role as Senior European Advisor to Castlelake, he has a professional relationship with Eduardo D'Alessandro, a proprietary director of AEDAS Homes (the latter represents Castlelake on the company's board). He has no other relationship with any other company directors or executives.

Board committees

Audit and Control Committee

Duties and areas of expertise

The Audit and Control Committee's organisation and responsibilities are set down in article 14 of the Board Regulations, article 22 of the Bylaws and article 529 *quaterdecies* of Spain's Corporate Enterprises Act.

The Audit and Control Committee assists the Board of Directors by supervising compliance with the company's Code of Conduct and corporate governance rules. It also ensures that the financial information presented to the board is reliable, oversees the internal control over financial reporting (ICFR) system and coordinates with the external auditor. It supervises the internal audit function, enterprise risk management and the compliance model, specifically including compliance with anti-money laundering and counter-terrorist financing legislation. Lastly, the Audit and Control Committee reports to the Board of Directors on related party transactions and monitors implementation of the ESG Strategic Plan 2021-2023.

Main activities during the year

The Audit and Control Committee met eight times in FY 2023/24. The main initiatives undertaken were:

In relation to the activities undertaken as part of its **supervisory and control** work:

- Issuing the Audit and Control Committee Activities Report for FY 2022/23.
- Approving the Audit and Control Committee Action Plan for FY 2023/24.
- Reviewing the Annual Corporate Governance Report for FY 2022/23.
- Issuing a committee report on related party transactions for FY 2022/23.
- Issuing a committee report on auditor independence for FY 2022/23.
- Supervising delivery of the ESG Strategic Plan 2021-2023 and taking note of the Strategic Plan 2023-2026.

In relation to the company's **financial information** and other information provided to the Board of Directors:

- Supervising the separate and consolidated financial statements and management reports for the year ended 31 March 2023 and the proposed appropriation of profit for subsequent authorisation by the Board of Directors.
- Supervising the quarterly financial disclosures.
- Issuing an opinion on the proposed capital reduction via the cancellation of own shares.
- Issuing an opinion on the new AIAF commercial paper programme.
- Authorising the auditor to provide certain non-audit services.

In relation to the **internal audit function**:

- Approving the internal audit function's activities report for FY 2022/23.
- Approving the internal audit annual plan for FY 2024/25.
- Supervising the activities carried out by the internal audit function during the year ended 31 March 2024.
- Presenting the Board of Directors with the main conclusions from the internal audits undertaken during the year under the scope of the AEDAS Homes Group's annual internal audit plan, notably including the annual internal report on the ICFR system and the internal audits of the AML/CFT model, ESG effort, digitalised process security and business activities and, lastly, oversight of the related findings and action plans.

In relation to the **risk and compliance function**:

- Approving the risk function's activities report for FY 2022/23.
- Approving the risk function's activities plan for FY 2024/25.
- Approving the compliance function's activities report for FY 2022/23.
- Approving the compliance function's activities plan for FY 2023/23.
- Presenting the Board of Directors with the results of the various reviews conducted by the risk and compliance areas during the reporting period, including their reviews of the corporate risk map and risk monitoring indicators, the external expert report on AML/CTF controls and the crime prevention controls performed.
- Appointing the person in charge of the Whistleblowing Channel.
- Approving the Whistleblowing Channel Policy and Procedure.
- Analysing the climate change risk map and the critical risk monitoring indicators.
- Studying and approving the report on the notifications received through the Whistleblowing Channel.

The Audit and Control Committee issued favourable opinions on the execution of certain related parties transactions related with the purchase of homes developed by the company by members of the Steering Committee and Board of Directors and with respect to an opportunity to invest in residential-use land owned by one of AEDAS Homes' shareholders.

In addition, the Audit and Control Committee issued an opinion on the reports and actions carried out by the Compliance Committee with respect to the matters notified to the company's Whistleblowing Channel.

The Audit and Control Committee, duly carrying out its duty to **oversee the ICFR system**, carried out the following activities during the year ended 31 March 2024:

- Supervising effectiveness of the company's internal controls, internal audit function and risk management systems, discussing the status of the ICFR system with the financial statement auditor.
- Supervising the process of preparing and presenting the financial information the company is required to disclose and making proposals and recommendations to the Board of Directors to safeguard the integrity of that information.
- Supervising the mechanism that allows staff to report, confidentially and anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.
- Reporting, ahead of the corresponding resolutions, to the Board of Directors on all matters contemplated in prevailing law, the Bylaws and the Board Regulations, particularly with respect to the company's mandatory financial disclosures and related-party transactions.

- Overseeing compliance with the company's codes of conduct, corporate governance rules and corporate social responsibility policy.

- Supervising the activities carried out by the internal audit function under the scope of the annual internal audit plan for FY 2023/24. Those activities include supervising the review of the ICFR system, a course of action specifically tasked to the internal audit function in the annual internal audit plan approved by the Audit and Control Committee.

- Supervising the initiatives carried out by the risk and compliance function around the company's main risks and contingencies and the systems put in place to ensure their identification, management and control, framed by the Risk Plan 2023/24 and Compliance Plan 2023/24, both approved by the committee.

- Arranging for the financial statement auditor to give the committee and board an account of (i) the work performed by it; (ii) key accounting developments; and (iii) the company's risks.

- Supervising the FY 2023/24 Annual Corporate Governance Report before the board authorised its issuance.

- Providing an account at the Annual General Meeting of the matters within its purview, specifically the outcome of the financial statement audit for FY 2023/24, outlining how the audit contributed to the integrity of the resulting financial information and the duties performed by the committee during the audit work in FY 2023/24.

Members of the Audit and Control Committee

At 31 March 2024, the committee was made up of the following three members:

Member	Position	Category on the Board of Directors
Javier Lapastora Turpín	Chairman	Independent
Santiago Fernández Valbuena	Member	Independent
Francisco Javier Martínez-Piqueras Barceló	Member	Other external

The committee's composition changed as follows during the year ended 31 March 2024: Eduardo D' Alessandro was a member of the committee for its first meeting of the year (on 26 April 2023). After that, he stepped down from the committee and was replaced by Francisco Javier Martínez-Piqueras Barceló (appointed by the board on 30 May 2023), who began his tenure as committee member from the meeting held on 6 June 2023.

Patxi Castaños Gil, the company's Chief Legal Officer and non-director vice secretary of the Board of Directors, is the secretary of the Audit and Control Committee.

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+ Chairman's statement
+ CEO's statement

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Appointments and Remuneration Committee

Duties and areas of expertise

The Appointments and Remuneration Committee's organisation and responsibilities are set down in article 15 of the Board Regulations, the Appointments and Remuneration Committee Regulations, article 22 of the Bylaws and article 529 *quindecies* of Spain's Corporate Enterprises Act.

This committee provides the Board of Directors with information and advice on the company's appointments and remuneration obligations, framed by best practices in the corporate governance arena, and verifies that the remuneration policies established by the company are being upheld. It periodically reviews the company's director and officer remuneration policies, including the share-based payment schemes, and their application, ensuring that individual remuneration is aligned with each professional's contribution, without generating unsubstantiated imbalances between directors or between officers.

Other duties vested in the Appointments and Remuneration Committee include: evaluating the universe of skills, knowledge and experience needed on the Board of Directors; submitting proposals for the appointment, re-election or removal of independent directors to the Board of Directors and/or reporting on board proposals for the appointment, re-election or removal of independent directors and officers; and proposing a succession plan for the chairman of the board and CEO.

Main activities during the year

The Appointments and Remuneration Committee met nine times in FY 2023/24. The main initiatives undertaken were:

- Acknowledging the Annual Corporate Governance Report for FY 2022/23 in relation to the matters falling under the purview of the committee.
- Acknowledging the Director Remuneration Report for FY 2022/23 in relation to the matters falling under the purview of the committee.
- Approving the Committee Activities Report for FY 2022/23.
- Approving the Committee Action Plan for FY 2023/24.
- Reporting to the board on the workplace climate survey.
- Providing the board with reports and proposals with respect to the re-election or election of independent, proprietary and executive directors.
- Evaluating the CEO's performance in terms of bonus target delivery (FY 2022/23).

- Issuing a report on the reduction in the number of directors as from the Annual General Meeting held on 20 July 2023.
- Providing an account, via the committee's chairwoman, of the committee's activities at the Annual General Meeting.
- Proposing the CEO's bonus-related targets for FY 2023/24 for submission to the board for approval.
- Analysing a proposed Retention Plan.
- Issuing a report on the potential re-appointment of the CEO and the basic terms and conditions of his contract.
- Issuing a report on the proposed amendment of the Director Remuneration Policy.
- Issuing a proposal for updating the CEO's remuneration.
- Updating the skills matrix for the members of the Board of Directors.
- Monitoring the Long-Term Incentive Plans (1 & 2), proposing metrics and evaluating delivery of the targets for the corresponding cycles and the distribution of rollover shares.
- Self-assessment of the performance of the board and its committees: Launching the self-assessment of the board and of the Appointments and Remuneration Committee and supporting the Audit and Control Committee and the Technology, Innovation and Cybersecurity Committee with their self-assessments. As a result of those self-assessments, making proposals to the board regarding a series of actions / action plan for the continuous improvement of the effectiveness of the board and its committees.
- Reporting on the variable remuneration of the senior management team.
- Proposing the revision of the CEO's bonus-related targets for FY 2023/24 for submission to the board for approval.
- Modifying the Succession Plan for the company's Chairman and its CEO.
- Steering Committee – Skills Map.
- Trend in the company's organisational structure and headcount.
- Third long-term incentive plan ("LTIP 3") - Initial considerations.

Members of the Appointments and Remuneration Committee

As at 31 March 2024, the committee was made up of the following three members:

Member	Position	Category on the Board of Directors
Milagros Méndez Ureña	Chairwoman	Independent
Cristina Álvarez Álvarez	Member	Independent
Eduardo D'Alessandro	Member	Proprietary

Cristina Álvarez Álvarez, an independent director, and Eduardo d'Alessandro Cishek, a proprietary director, were appointed to the Appointments and Remuneration Committee by the Board of Directors on 30 May 2023. At the Annual General Meeting held on 20 July 2023, several directors were re-elected. At their own request, Evan Carruthers and Miguel Temboury Redondo were not re-elected as directors. They stepped down from the board and, by extension, this committee, with effect from 20 July 2023.

Alfonso Benavides Grases, who is the non-director secretary of the Board of Directors, is also the secretary of the Appointments and Remuneration Committee.

Technology, Innovation and Cybersecurity Committee

Duties and areas of expertise

The Board of Directors created the Innovation, Technology and Cybersecurity Committee as a voluntary steering committee in 2017. The committee's organisation and powers are set down in article 13.5 of the Board Regulations, the committee's regulations, article 22 of the Bylaws and article 529 terdecies of Spain's Corporate Enterprises Act.

Although the Board of Directors is responsible for cybersecurity and IT-related risks, it is the Technology, Innovation and Cybersecurity Committee that draws up and evaluates proposals related with technology, innovation and cybersecurity, reporting back to the board. This committee also plays an important role in setting the direction of the company's Digital Strategy Plan, conceived of as a lever for delivering the company's broader business and financial targets. The company is near to the end of the three-year Digital Strategy Plan, which has served to articulate an efficient operating system around a platform on which the company's employees, customers and a large number of third parties (suppliers) interact. The Innovation, Technology and Cybersecurity Committee is currently working on an Artificial Intelligence Plan for 2024-26 with the goal of using AI to enhance productivity and efficiency.

Main activities during the year

The Innovation, Technology and Cybersecurity Committee met four times in FY 2023/24. The main initiatives undertaken were:

- Approving the committee's activities report for FY 2022/23.
- Approving the committee's activities plan for FY 2023/24.
- Executing the Digital Strategy Plan 2021-2023 and monitoring the main KPIs.
- Controlling and managing licence costs.
- Monitoring 13 key projects.
- Executing cybersecurity initiatives and monitoring the main KPIs.
- Tightening mobile device security.
- Carrying out a phishing simulation and measuring its outcome.
- Putting out a request for proposal for a potential ERP switch.
- Migrating to new infrastructure in Azure.
- Migrating to new Prinex infrastructure.
- Monitoring and controlling the budget.
- Monitoring the Live Virtual Tours initiative.

Members of the Innovation, Technology and Cybersecurity Committee

As at 31 March 2024, the committee was made up of the following four members:

Member	Position	Category on the Board of Directors
Cristina Álvarez	Chairwoman	Independent
David Martínez Montero	Member	Chief Executive Officer
Eduardo D'Alessandro	Member	Proprietary
Javier Sánchez Gutiérrez	Member | Non-director	Chief Technology and Communications Officer

Alfonso Benavides Grases, who is the non-director secretary of the Board of Directors, is also the secretary of the Appointments and Remuneration Committee.

The Technology, Innovation and Cybersecurity Committee draws up and evaluates proposals related with technology, innovation and cybersecurity, reporting back to the Board

Steering Committee

	David Martínez	Alberto Delgado	David Botín	María José Leal	Esther Duarte	Patxi Castaños	Javier Sánchez
Steering Committee	●	●	●	●	●	●	●
Investment Committee	●	●	●	●		●	
Business Committee	●	●		●			
Compliance Committee					●	●	
ESG Committee	●			●	●		●
Green Financing Committee	●	●		●	●		

The AEDAS Homes Steering Committee is made up of seven members, each with 20+ years' experience in executive positions at a range of companies.

The Steering Committee meets monthly at the company's head offices and its main mission is to oversee delivery of AEDAS Homes' strategic targets in order to enable its long-term continuity.

PURPOSE OF THE STEERING COMMITTEE

Report

The Steering Committee reports to the Board of Directors, through the company's CEO, on all relevant developments at the organisation and its various business areas.

Warn

The Steering Committee must warn of any circumstances that could jeopardise the company's ability to deliver its targets and/or budget, following up on such matters to stay ahead of potential deviations.

Propose

The Steering Committee must propose and apply any corrective action deemed necessary.

Steering Committee duties

- Ensuring compliance with the policies, processes and procedures established by the company, guaranteeing that all decisions are aligned with AEDAS Homes' mission, vision and values.
- Coordinating and aligning strategies and initiatives across the various areas of the organisation.
- Proposing ideas for enhancing processes and procedures to render them more efficient.
- Proposing an organisational structure that responds efficiently to the targets set.
- Proposing corrective measures in the event that actual results deviate from the targets set.
- Defining and bolstering the corporate culture. Prioritising people and their development and nurturing a positive workplace climate in which talent is minded, leadership safeguarded and fairness guaranteed.

Backgrounds of the members of the Management Committee

DAVID MARTÍNEZ

Chief Executive Officer

David has been AEDAS Homes' CEO since the company's creation in 2016. He has 25+ years' experience leading top real estate developments in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Before taking on those leadership roles, he worked as a project manager at Bovis and as an engineer at Ferrovial. David is a civil engineering graduate from Madrid's Polytechnic University and also holds an Executive MBA from IESE Business School. He is a member of the Spanish Council of the Urban Land Institute (ULI), where he is actively involved in its mentoring programme, and since 2019 he has been the president of REBUILD.

ALBERTO DELGADO

Chief Operating Officer

Alberto coordinates, runs and controls the company's key business departments: the Regional Branches and the sales and marketing, operations, product quality, land and planning and business control areas. He sits on the board of several AEDAS Homes subsidiaries. He began his career at ACS and later joined Vallehermoso, where he first worked in business development before spending three years as CFO. He joined AEDAS Homes in 2016 and has been its COO since 2017. A civil engineering graduate from Madrid's Polytechnic University (UPM), Alberto has also completed the executive development program (PDD) at IESE and the directors' programme at ESADE.

DAVID BOTÍN

Chief Real Estate Services Officer

David spearheads and drives AEDAS Homes' real estate services strategy and ensures its correct implementation and fit with the corporate strategy and broader sector and market environment. David graduated in architecture, specialised in town planning, from Navarra University; he holds a Master's in Planning Management from UPC, the Polytechnic University of Catalonia, and has completed IESE's management development programme (PDG). He brings over 30 years' experience in real estate, having held senior executive positions at prominent sector players, including Áurea Homes, ACR Promociones and Grupo Avanco, S.A. Esther joined AEDAS Homes in 2021.

MARÍA JOSÉ LEAL

Chief Financial Officer

María José heads up investor relations, capital markets activity and management control and runs the company's corporate finance and treasury functions, in keeping with the applicable prevailing accounting, legal and tax frameworks, so as to provide a fair view of its financial strength. An economics graduate (specialised in business administration) from CUNEF, she has also completed the executive management programme at IESE (PDG), the directors programme at ESADE and PwC's Women to Watch programme. She has extensive experience at fast-growing, listed multinational enterprises, including her stints as Deputy CFO at high-profile listed companies such as AENA and PROSEGUR. She has been AEDAS Homes' CFO since November 2018.

ESTHER DUARTE

Chief Corporate Resources Officer

Esther is responsible for managing the human resources, internal communication, general services, health and safety, quality, processes, document management and sustainability departments. Esther's academic qualifications include a diploma in educational sciences, the Garrigues' executive programme in labour relations, ESADE's executive development programme in human resource management, IESE's management development programme (PDG) and ESADE's directors programme. She boasts 25+ years of experience in executive positions at real estate, construction, industrial, infrastructure and services firms including Ferrovial Inmobiliaria and Grupo Aldesa. Esther joined AEDAS Homes in 2017.

PATXI CASTAÑOS

Chief Legal Officer

Patxi brings extensive experience in real estate. He has held executive positions in legal advisory and business development at AQ Acentor, Grupo Avintia and Amenábar Promociones. He has also been collaborating for years as an assistant professor in the real estate post-graduate programme at the San Pablo-CEU Business School and Madrid's Polytechnic University (UPM). A law graduate (specialised in economics) from Deusto University, Patxi also holds a Master's in Town Planning from the CEU San Pablo Business School and an Executive Master's in Company Law Practice from the Garrigues School of Studies. Patxi joined AEDAS Homes in October 2022.

JAVIER SÁNCHEZ

Chief Technology and Communications Officer

Javier is responsible for defining, leading and managing AEDAS Homes' technology and communication strategies. Javier holds a dual degree in business studies and law from ICADE (E-3) and ESSEC Business School (Paris) and has completed the Directors' Programme at ESADE. He began his career in strategic consulting in Spain and the US. After his stint in Silicon Valley, he gained a wide variety of professional experiences over two decades at big tech firms, internet players and television companies, including Orange and Vértice 360. In the real estate sector, Javier brings 7+ years of experience in the new home development space. Javier joined AEDAS Homes in 2017.

Regional Branches

AEDAS Homes is present in the most dynamic new-build housing development markets in Spain. Its business model is decentralised and scalable and key activities are performed in-house.

Each of the Regional Branches is responsible for organising, running and planning the residential development and land permitting processes in the areas within their purview, in keeping with the guidelines provided by AEDAS Homes to ensure a solid earnings performance and delivery of its quality and timing commitments. They are also responsible for identifying potential land acquisition opportunities. This decentralisation allows the company to manage each project in accordance with local needs and criteria, which translates into better developments and, ultimately, more satisfied customers and shareholders.

The Regional Branches are all represented on the Business Committee which sits monthly at the company's head offices with the overriding mission of ensuring delivery of the Business Plan.

Zenity sales point

Our Regional Branches are responsible for the entire development process, as well as land permitting processes, in keeping with AEDAS Homes' guidelines

Regional Branch director profiles

PABLO ALONSO

Centre Regional Branch Director

A law graduate from León University, Pablo also holds an LLM in Business Law from Navarra University. Pablo has 20+ years' experience in the sector, specifically in housing development and property management at leading players like Vallehermoso and Testa (Sacyr Group) and Merlin Properties.

DAVID GÓMEZ

Catalonia & Aragon Regional Branch Director

A civil engineering graduate from the Catalan Polytechnic University, David also holds an MBA from ESADE. He boasts 20+ years' experience in the real estate sector, having worked at a range of companies including Banco Sabadell, Solvia and Vallehermoso's development division.

JOSÉ IGNACIO FERNÁNDEZ

Andalusia & Canaries Regional Branch Director

A law graduate from Seville University, José also holds an MBA from the San Telmo International Institute, a Master's in Town Planning and Management (Carlos III University), a Master's in Town Planning and Design (Seville School of Architecture) and has completed the IESE management development programme (PDG). He brings 20+ years' experience at firms such as Martinsa-Fadesa, Galia Grupo Inmobiliario and Guadalmina Golf and has also worked in the town planning department of Seville's City Hall.

JUAN LÓPEZ

East & Mallorca Regional Branch Director

A technical architect (Alicante University), Juan has also completed the IESE executive development programme (PDD). He has been working in the residential development sector for 25+ years. Juan built his career at companies such as Solvia and Hansa Urbana prior to joining AEDAS Homes.

ÁNGEL FERNÁNDEZ

Costa del Sol Regional Branch Director

An architecture graduate from CEU San Pablo University, Ángel has also completed post-graduate programmes at ESADE and IESE, where he took the executive development programme (PDD). Ángel has 10+ years' experience in the sector, having worked at high-profile developments such as Valdebebas and Operación Chamartín in Madrid.

Director and officer remuneration

AEDAS Homes designed its Director Remuneration Policy in keeping with the company's size and financial situation, market standards for comparable companies and the amount of time devoted by its directors.

The overriding purpose of the Director Remuneration Policy is to define and control AEDAS Homes' remuneration practices vis-a-vis its directors. It also establishes a remuneration regime that is deemed appropriate for the dedication and responsibilities assumed by the company's directors with the aim of attracting, retaining and motivating boardroom talent.

The Director Remuneration Policy is public and can be downloaded from AEDAS Homes' corporate website. Note additionally that the Annual Report on Director Remuneration, the Annual Corporate Governance Report and the annual financial statements (note 21) provide director and officer remuneration disclosures.

AEDAS Homes also has an Officer Remuneration Policy for the executives who report to the CEO. That policy is articulated around the following principles and goals:

- **Aligning their remuneration** with shareholder interests and AEDAS Homes' sustainable profitability.
- **Financial reward:** maximising our professionals' performance by rewarding them for their work quality, dedication, trajectories, responsibilities, business acumen and commitment to AEDAS Homes.
- **External competitiveness:** attracting and retaining the finest professionals. Market trends at companies considered comparable to AEDAS Homes are factored into the amounts that executives earn.
- **Internal fairness:** the policy and the amounts of compensation are both defined around the content of the positions held, the goal being to provide similar rewards for jobs with similar content but also to distinguish certain positions from others of different characteristics. The relative importance of the various positions for the company is also taken into consideration.
- **Equality and diversity:** guaranteeing application of the principle of equal pay for work of equal value with no discrimination for gender or race.
- **Simplicity and transparency:** the remuneration rules are worded clearly and concisely in an attempt to simplify their description and the calculation methods and vesting conditions as much as possible.
- **Time horizon:** The remuneration of AEDAS Homes' professionals is articulated about the company's long-term interests and values as well as the provision of an incentive for the delivery of short-term goals.
- **Variable compensation:** depending on the professionals' positions and the extent to which the latter impact and influence the company's results, the amount of their remuneration has a variable component tied to the company's performance (including a sustainability metric) and their individual performances and results.

Business ethics

Our ethical commitments are embodied in the codes of conduct and universe of corporate policies that guide and govern our activities. Our Compliance Programme and Crime Prevention Model also nurture our ethics culture.

AEDAS HOMES' CORPORATE POLICIES

AEDAS Homes publicly discloses the universe of corporate policies that define how it conducts its everyday activities, along with the key governing principles:

DIRECTOR REMUNERATION POLICY	DIRECTOR SELECTION POLICY	WHISTLEBLOWING CHANNEL POLICY (INTERNAL REPORTING SYSTEM)	WHISTLEBLOWING CHANNEL PROCEDURE (MANAGEMENT OF NOTIFICATIONS)	CLIMATE ACTION POLICY	HEALTH AND SAFETY POLICY	ESG POLICY
ANTI-CORRUPTION POLICY	POLICY ON CONFLICTS OF INTEREST	COMPLIANCE POLICY	CORPORATE GOVERNANCE POLICY	SHAREHOLDER AND INVESTOR COMMUNICATION POLICY	INTERNAL SECURITIES MARKETS CODE OF CONDUCT	CORPORATE TAX POLICY
SHAREHOLDER REMUNERATION POLICY	CODE OF CONDUCT	CODE OF CONDUCT FOR THIRD PARTIES	BOARD REGULATIONS	APPOINTMENTS AND REMUNERATION COMMITTEE REGULATIONS	TECHNOLOGY COMMITTEE REGULATIONS	ANNUAL GENERAL MEETING RULES AND REGULATIONS

In FY 2023/24 the company created new policies and updated some of its existing policies.

Director Remuneration Policy

This policy was updated to include the possibility of making the CEO a beneficiary of a retention plan.

ESG Policy

This policy was updated to encompass the Environmental Policy, following the segregation of the ERM system.

Quality Policy

This policy was created as a result of the segregation of the ERM system. It establishes the general principles governing the quality management system.

Health and Safety Policy

This policy was created as a result of the segregation of the ERM system. It defines the basic principles in place to ensure the health and safety of all AEDAS Homes' employees and activities.

Climate Action Policy

This policy establishes a framework for articulating the company's strategy and business model in a manner that is compatible with its commitment to tackling climate change.

Whistleblowing Channel Policy (internal reporting system)

This policy stipulates that any person under the scope of AEDAS Homes' whistleblowing system who believes that the company's policies or principles are being breached can report their suspicions anonymously so that the issue is addressed quickly and appropriately, thus preventing adverse consequences for the company and the whistleblowers.

The company has recently drafted new policies and revised some existing ones.

All of the above-listed policies and regulations form part of the company's corporate governance framework and can be viewed at the following links:

Corporate policies

https://www.aedashomes.com/en/investors/corporate-governance/corporate-policies

Board of Directors

https://www.aedashomes.com/en/investors/corporate-governance/directors-board

Annual General Meeting

https://www.aedashomes.com/en/investors/corporate-governance/shareholders-general-meeting

Compliance Programme

AEDAS Homes has a Compliance Programme which aims to establish a culture of ethics while guaranteeing respect for applicable legislation. That Compliance Programme covers the relevant areas of risk and draws on best practices in the field.

More specifically, the Compliance Programme encompasses measures designed to guarantee compliance with:

- Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) legislation.
- The provisions contained in Spain's Criminal Code regarding the criminal liability of legal persons, including anti-corruption legislation.
- Data protection regulations.
- Securities market conduct regulations.
- Anti-trust regulations.

As a residential developer, AEDAS Homes is bound by anti-money laundering and counter-terrorist financing (AML/CFT) legislation. Under the scope of its AML/CFT programme, AEDAS Homes has strict measures in place for reducing the risk of doing business with sanctioned parties:

AML/CFT COMPLIANCE STRUCTURE

AML/CFT TECHNICAL UNIT: Assists the Head of Risk and Compliance with managing the model and reviews customer due diligence files.

RISK AND COMPLIANCE DEPARTMENT: Responsible for managing the AML/CFT model.

INTERNAL CONTROL BODY (ICB): Supervises compliance with applicable legislation.

COMPLIANCE MEASURES AML/CFT

AML/CFT Manual.

Annual training on AML/CFT for all employees.

Due diligence performed on 100% of the customers who buy one of the company's homes.

The company's procedures **prohibit carrying out transactions without approval from the Technical Unit**. If customers present higher risk profiles, the company carries out more stringent due diligence.

Transaction analysis and referral of suspicious transactions to the authorities: **SEPBLAC.**

Internal Audit review. The Internal Audit function analyses the effectiveness of the AML/CFT framework annually and reports its findings to the Audit and Control Committee.

Annual review by an outside ALM/CFT expert. The report issued is presented to the Board of Directors within three months of issuance.

Within the specific due diligence activities undertaken, it is worth highlighting the fact that AEDAS Homes checks the names of everyone involved in its transactions in order to verify that none of them are included on the sanctions lists kept by OFAC or the European Union, or any other list of relevance. The company's AML/CFT Manual prohibits transacting with sanctioned individuals.

In FY 2023/24, AEDAS Homes engaged an external ALM/CFT expert to carry out the above-mentioned annual review; that expert did not identify any issues of note.

Corporate Crime Prevention

AEDAS Homes has a Corporate Crime Prevention Model to ensure it complies with applicable criminal law.

CORPORATE CRIME PREVENTION

Compliance Committee
Responsible for supervising regulatory compliance and coordinating the measures needed to that end.

Risk and Compliance Department
Tasked specifically with managing corporate crime prevention efforts.

Performance indicators

Compliance Communication Plan
Designed to boost employee familiarity with the model.

Policies and procedures
A body of rules designed to guarantee compliance with applicable legislation

Criminal risk map

Risk and control matrix
122 controls identified

Whistleblowing Channel

Annual budget

Annual controls
The results of the controls and the action plans devised to remedy areas in need of improvement are reported to the Audit and Control Committee.

Training

Code of Conduct
Embodies the company's values and specifies the types of conduct it does not tolerate. All employees must accept the Code of Conduct when they join the company.

Code of Conduct for Third Parties
Signed by all critical suppliers before starting to do business with the company, this code commits them to abiding by AEDAS Homes' values and rules of conduct.

Compliance Manual and Policy
Establishes the ground rules for the Corporate Crime Prevention Framework.

Anti-Corruption Policy
Establishes the rules applicable to employees with respect to gifts and hospitality vis-a-vis the public and private sectors.

In July 2023, AEDAS Homes renewed **UNE 19601 certification for its compliance management model**, evidencing the company's firm commitment to the highest standards of regulatory compliance. Renewal of that certification evidences the fact that AEDAS Homes continues to comply with the most stringent standards in the compliance area.

AEDAS Homes has also continued to make significant improvements to its crime prevention model. Specifically, it took the following steps:

- Revision and improvement of the relevant policies and manuals.
- Publication of knowledge pills for employees addressing the Compliance Policy, Whistleblowing Channel, Conflicts of Interest Policy and Anti-Corruption Policy.
- Follow-up on the compliance model KPIs.
- Having those employees who are more exposed under AEDAS Homes' compliance model sign a declaration specifically committing to the principles set down in the company's Code of Conduct and Compliance Policy, a pledge that extends to the internal policies implemented to comply with anti-corruption and anti-bribery legislation.
- Having key suppliers sign the Code of Conduct for Third Parties, which, following the modifications introduced in March 2022, includes specific clauses regarding the human rights standards they must comply with. Additionally, all suppliers sign a crime prevention compliance clause.

Approval of a Third-Party Due Diligence Procedure, which will allow the company assess the compliance risk posed by its business dealings with essential suppliers. The AEDAS Homes Whistleblowing Channel complies with the contents of Law 2/2023, on the protection of whistleblowers and other anti-corruption matters. The company has formulated a Whistleblowing Channel Policy and Procedure. Both documents have been approved at the board level.

Notifications sent using the channel can be sent anonymously using the established procedures, which include measures designed to protect whistleblowers by preventing retaliation against them. In order to maximise transparency around the channel and securely protect whistleblowers, AEDAS Homes uses an outside firm's notification management platform, with that firm recording the notifications and forwarding them to the company's Compliance Committee. That platform likewise complies with the latest regulatory requirements.

Employees can access the Whistleblowing Channel from the intranet. Channel usage has been explained and publicised using a number of knowledge pills. Employees can also access the Whistleblowing Channel from the company's website.

As set down in the Whistleblowing Channel's notification management process, complaints received are reviewed by the Compliance Committee, which decides what steps to take to clarify the events and remedy any identified breaches of applicable legislation or the company's Code of Conduct. That committee's members are empowered to do whatever they then deem necessary, including taking statements from the whistle-blower, the defendant and any witnesses and obtaining copies of any relevant information and documentation at the company.

Our policies and procedures require our employees to notify any suspected breaches of our rules and regulations using the Whistleblowing Channel. Specifically, the Anti-Corruption Policy stipulates that employees use the Whistleblowing Channel to report any breaches of that policy.

AEDAS Homes received three notifications through its Whistleblowing Channel in FY 2023/24, while in the previous year, it did not receive any notifications. Two related to matters concerning product quality that were not apt for communication through the Whistleblowing Channel and were therefore referred on to the relevant business areas to reach out to the customers in question.

The third notification received via the Whistleblowing Channel was relevant and prompted an internal investigation by the Compliance Committee and an external investigation by a very well-reputed consultancy firm. On the basis of the findings of both investigations, the Compliance Committee concluded that the facts were not proven and closed the case, duly reporting to the Audit and Control Committee on the steps taken and their outcome.

Both the internal audits and the external certifier have verified that the Whistleblowing Channel is operational and working as intended.

As already noted, the company has an **Anti-Corruption Policy** which all employees can access from the intranet.

In order to assess its anti-corruption risks, each year, as part of the broader evaluation of criminal risk, the company assesses the impact, probability of occurrence and level of management of identified crimes of corruption in both the public and private spheres, specifically including the illicit financing of political parties. Given the company's exposure to those crimes as a result of its business activity, in order to ensure they are being duly monitored, it verifies the effectiveness of the key anti-corruption controls annually and reports the findings to the Audit and Control Committee.

The Anti-Corruption Policy stipulates the maintenance of an adequate internal control system, to which end all transactions must be reported and reflected faithfully and accurately and in reasonable detail in the company's accounting records and ledgers. More specifically, it stipulates the following:

- The company's accounting records and financial information must not contain false or misleading entries or statements. Transactions must never be intentionally mis-recorded in terms of line item, department, amount or accounting period.
- Accurate, appropriate and reasonably detailed supporting documentation must be kept for all transactions and safeguarded in keeping with the company's archiving policies.

As a listed company, AEDAS Homes has an **internal control over financial reporting (ICFR) system** to safeguard the accuracy and integrity of its financial disclosures, as stipulated in its Anti-Corruption Policy.

As part of its effort to reduce the risk of breaches of anti-corruption and anti-bribery regulations, AEDAS Homes has made specific anti-corruption knowledge pills available to all employees. That communication effort was designed to boost employee familiarity with the company's anti-corruption rules and reduce the risk of breaches of the relevant regulations.

The company's Anti-Corruption Policy is made available to all employees

Data protection regulations

AEDAS Homes has a specific model to ensure compliance with data protection requirements. That model is structured as follows:

POLICIES AND PROCEDURES
Designed to guarantee lawful processing of data by the company.

Data protection clauses
Compliance with applicable disclosure and consent requirements.

Technical measures
Evidence attesting to compliance with performance of the company's duties to inform data subjects and seek their consent. Security measures to safeguard the personal data hosted in our systems.

Data Protection Officer
Tasked with assessing and organising the management of private data within AEDAS Homes.

Procedures enabling data subjects to duly exercise their data protection rights.

Procedures for guaranteeing the due management and reporting of any security breaches.

Data processing agreements.

ANNUAL CONTROLS
The results of those controls are reported to the company's Audit and Control Committee.

Risk management

Our enterprise risk management (ERM) system is regulated by our board-approved Risk Management Policy. The purpose of our risk model is to identify, evaluate, manage and report the risk factors that could jeopardise delivery of our strategic, business and financial objectives.

RISK MANAGEMENT MODEL

BOARD OF DIRECTORS → RISK MANAGEMENT POLICY

↓

IDENTIFICATION

↓

ASSESSMENT

↓

MANAGEMENT

↓

REPORTING

Identification: The risks of relevance to AEDAS Homes are duly identified by its Management Committee. Risk prospecting is conducted annually with the aim of identifying potential new risk factors that could jeopardise the Company's ability to attain its objectives.

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

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

- Identifying specific risk events.
- Establishing monitoring KPIs for each risk event and assigning risk tolerance thresholds.
- Establishing action plans for any indicators that have breached the established tolerance thresholds.

Reporting: A risk indicator status report is sent to the Audit and Control Committee and Management Committee regularly.

BODIES INVOLVED IN THE RISK MANAGEMENT MODEL	
BOARD OF DIRECTORS	AUDIT AND CONTROL COMMITTEE
STEERING COMMITTEE	INTERNAL AUDIT DEPARTMENT
RISK AND COMPLIANCE DEPARTMENT	OFFICERS AND OTHER RISK OWNERS

La alta dirección de AEDAS Homes está implicada en el buen funcionamiento de gestión de los riesgos

As stipulated in its **Risk Management Policy**, the following governing bodies are involved in the activities related with the risk management effort at AEDAS Homes:

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

Audit and Control Committee: its task is to supervise the internal control and risk management systems, making sure that the key risks are identified, managed and maintained within the planned levels. AEDAS Homes' internal audit function helps this committee carry out this duty.

Internal audit function: responsible for supporting the Audit and Control Committee and Group management, playing an independent and objective assurance and advisory role to add value to and enhance the efficiency of the company's risk management, control and governance processes.

Steering Committee: its work involves allocating responsibilities for risk management, analysing the results of the risk assessments to determine their level of severity and approving attendant risk responses as necessary.

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

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

AEDAS HOMES' RISK MANAGEMENT MODEL

Strategic risks

- Fall in demand for new-build housing
- Land bank
- Customer satisfaction
- Availability of financing
- Reputation
- Share price performance
- Political risk
- Sector consolidation risk
- Falling short of ESG expectations

Operational risks

- Purchase of land
- Transformation of land
- Project execution
- Sales
- Talent management
- Technology
- Cybersecurity
- Health & safety
- Property security

Financial risks

- Interest rates
- Liquidity
- Availability of financing for customers
- Asset valuations
- Reliability of the financial information

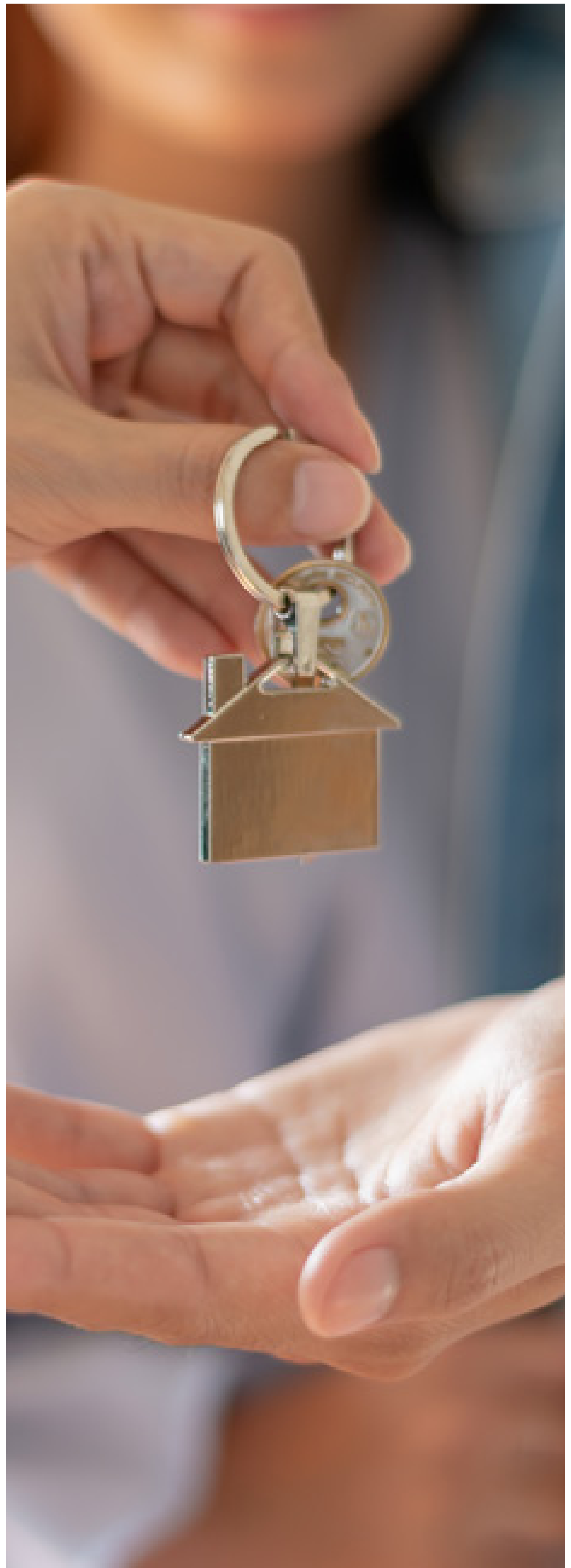
Compliance risks

- Anti-money laundering legislation
- Criminal law
- Securities market law
- Tax law
- Environmental regulations

AEDAS Homes' risk management model encompasses the following 28 risk categories

In FY 2023/24, AEDAS Homes continued to monitor and manage the risks deemed critical in line with the assessment conducted by the members of its Steering Committee in July 2023. Following that assessment, the risk factors currently deemed critical by the company are:

- Land bank
- Project execution (particularly cost and delivery time slippage in the construction of AEDAS Homes' developments)
- Customer satisfaction
- Talent management
- Fall in demand for new-build housing
- Cybersecurity
- Availability of financing for AEDAS Homes and for its customers
- Liquidity

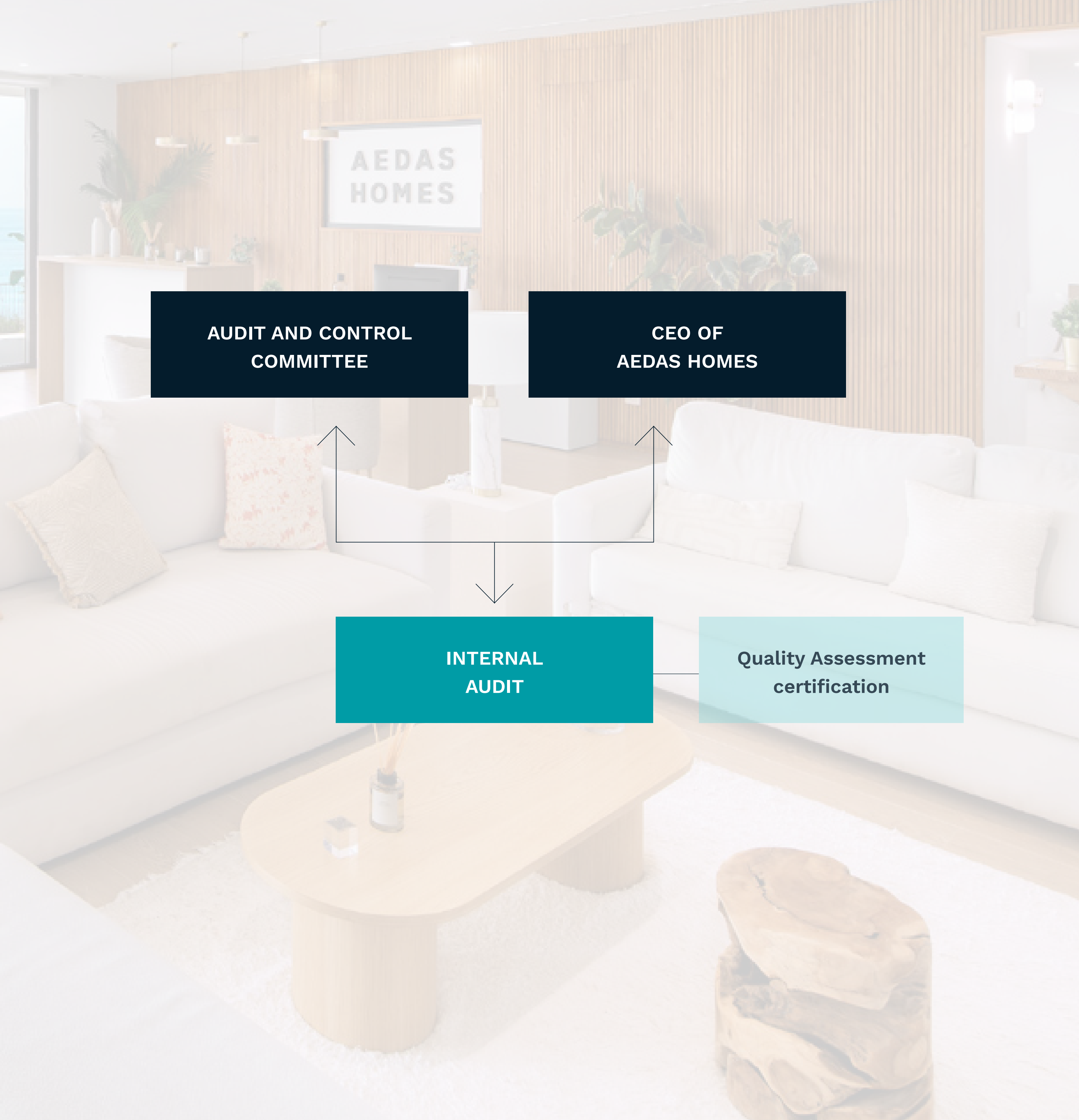


In FY 2023/24, AEDAS Homes took the following measures with a view to monitoring and managing the risk factors itemised above:

- Identification of the adequate monitoring indicators, such as:
  - Customer satisfaction levels
  - Sales levels relative to target (quarterly and year-to-date)
  - Works delays
  - Works started before the related financing has been secured
  - Cybersecurity indicators (password changes, number of insiders, patching and updates, etc.)
  - Works cost overruns
  - Trends in macroeconomic indicators
  - Staff turnover
- Establishment of tolerance thresholds that reflect the company's risk appetite in relation to each risk category.
- Regular monitoring of the status of the risk indicators so identified.
- Implementation and oversight of action plans designed to mitigate the risk factors.
- Regular reporting of the status of the indicators to the Audit and Control Committee.

The risks deemed critical were tracked quarterly and action plans were set in motion for those indicators in excess of the stipulated tolerance thresholds.

As regards the risks that materialised during the reporting period, construction costs remained above the defined tolerance threshold, albeit easing year-on-year. Meanwhile, the European Central Bank (ECB) continued to raise its official rates.



Internal audit function

Our internal audit function is regulated by our Internal Audit Statute, duly approved by the Audit and Control Committee, as it reports functionally to the latter and hierarchically to the company's CEO.

The overriding mission of AEDAS Homes' internal audit function is to provide management and the Audit and Control Committee with reasonable assurance that the company is position to attain its business targets. To do so, it takes a systematic and disciplined approach to assessing and improving the effectiveness of the company's risk management and internal control processes, making suggestions and recommendations about how they can be improved with the ultimate goal of strengthening AEDAS Homes' control environment and governance.

AEDAS Homes' internal audit function obtained the Quality Assessment certification awarded by the Institute of Internal Auditors in June 2020, evidencing compliance with that organisation's International Standards for the Professional Practice of Internal Auditing and Code of Ethics.

Cybersecurity governance

AEDAS Homes comprometida con el buen gobierno y, en su afán de cumplir con las mejores prácticas, evalúa el grado de cumplimiento de su modelo de gobierno de ciberseguridad, conforme al Código de Buen Gobierno de Ciberseguridad aprobado, el 14 de marzo de 2023, por el Consejo Nacional de Ciberseguridad y difundido, el 17 de julio de 2023, por la CNMV.

GOOD GOVERNANCE CODE ON CYBERSECURITY

STRATEGY AND ORGANISATION	MANAGEMENT	SUPERVISION
PRINCIPLE OF PROPORTIONALITY		
Strategic alignment and foresight	Management model	Cyber intelligence
Responsibility and organisation	Resourcing	Periodic reporting
Ethics and compliance	Managing incidents and resilience	Continuity
	Training and awareness	Risk management
	Innovation and continuous improvement	

"AEDAS Homes' governing bodies are **aligned with the principles of the Good Governance Code on Cybersecurity** in terms of building its cybersecurity strategy and organisation."

"AEDAS Homes' processes, control model and decision-making **foster a level of cybersecurity maturity** that is proportionate with the company's strategy and the nature of its business"

"AEDAS Homes' governing bodies are committed to **continuous supervision**"

AEDAS Homes views ***cybersecurity as crucial to its resilience and sustainable growth***

Integration of ESG aspects into the risk model

How companies govern themselves is coming under scrutiny from several angles. Regulators, investors and the boards of directors themselves are redefining corporate responsibility to include new competences that go beyond those defined in the traditional governance frameworks. All this is being strengthened by a paradigm shift in which sustainability and non-financial considerations are becoming an increasingly important to stakeholders. In lines with these trends, here at AEDAS Homes, we have set our sights on developing a unique business model in which over 75% of our stakeholders consider us the benchmark developer in Spain for ESG practices.

Certifying the compliance system under UNE 19601

Improving the company's ESG risk rating score

Incorporating ESG targets and milestones into the company's communication plans

ESG POLICY

ESG performance metric in the 3-year incentive plan for senior management and key employees

Inclusion of an ESG performance metric in company-wide remuneration targets

Integration of ESG risk factors into the risk map

To achieve that goal, in FY 2023/24, AEDAS Homes rolled out the following governance initiatives: :

Renewing certification of the compliance system under UNE 19601

UNE 19601 establishes the requirements for implementing, maintaining and continually upgrading criminal compliance management systems within organisations so as to prevent the commission of crime and reduce attendant risks.

The text of the standard not only implements requirements in response to the contents of the Criminal Code for crime prevention and management models, but it also embraces globally accepted best practices in compliance.

Improving the company's ESG risk rating scores

In May 2021, AEDAS Homes obtained its first ESG rating from **Sustainalytics**, a leading independent ESG and corporate governance research, ratings and analytics firm. That first score was 15.7. In FY 2023/24, Sustainalytics carried out its third assessment of the company's exposure to common ESG risks in the real estate development sub-industry, evaluating the company's management of those risks, once again rating it as “low risk”, with a score of 10.9, an annual improvement of 2.3 points.

At the time of writing, the company ranked in the third percentile in its sub-industry within the Sustainalytics universe.

Last year the company also worked to improve its **MSCI** rating, obtaining a score of A, which ranks us as “medium risk” and marks an improvement from the last score, of BBB.

Incorporating the ESG targets and milestones into the company's communication plans

AEDAS Homes has integrated sustainability considerations into its various communication plans

to better communicate its ESG effort to its stakeholders.

In total, it recorded 390 communication items in FY 2023/24:

Environmental

108 communication items, notably highlighting the sustainability initiatives and characteristics of some of its developments (dual-flow ventilation, etc.)

Social

104 communication items covering the company's community work initiatives, sponsorships and agreements with associations.

Gobierno

178 communication items related to the company's earnings, agreements with third parties, speeches and interviews with the CEO and other executives and, in general, the most relevant issues for the company and its stakeholders.

This communication effort mainly took the form of press releases, participation in conferences and written responses to media enquiries.

The company also implemented an internal and external communication strategy covering the environmental and social dimensions of its Strategic Plan. with the aim of showcasing all the initiatives it undertakes in both areas.

The above initiatives are additional to those pursued in recent years around the corporate governance dimension:

ESG Policy

Our ESG Policy officially sets down specific lines of initiative in corporate governance, in line with our mission and values and the promises made to our stakeholders. That policy also assigns duties and identifies the specific resources for ensuring that the policy is upheld.

Among other commitments, this policy includes the company's health, safety and wellbeing pledges, its equal opportunities and employee and partner diversity promises and its social development and environmental protection undertakings. It also specifies the responsible practices that must be upheld by all our suppliers, including compliance with prevailing legislation, the Code of Conduct for Third Parties and AEDAS Homes' internal rules and regulations. It stipulates that the company actively foster the use of suppliers that are aligned with its ESG strategy and health and safety standards.

The policy is framed by the United Nations Sustainable Development Goals (SDGs) adopted by the World Green Building Council, as well as the United Nations Global Compact principles.

Inclusion of an ESG performance metric in the 3-year incentive plan for senior management and key employees

The goal is to obtain AA energy ratings for at least 60% of our developments activated (i.e., with project launch certificates) during the period elapsing between 1 April 2021 and 31 March 2024.

Inclusion of an ESG performance metric in company-wide remuneration targets

Remuneration is tied to our environmental performance by including an ESG target in our employees' variable remuneration regime for the third year in a row.

For FY 2023/24, that target, which had been met at year-end, was to have 60% of our developments attain AA certification.

Integration of ESG risk factors into the risk map

Following reassessment of its corporate risk map, the company added two specific ESG risks: talent management and customer satisfaction.

The company has implemented an internal and external communication strategy covering the environmental and social dimensions of its ESG Strategic Plan.

About this report

Methodology

The FY 2023-24 Integrated Annual Report provides a complete, accurate and relevant vision of the business model and strategy and the economic, social, environmental and governance performance of AEDAS Homes and its subsidiaries during the **year ended 31 March 2024**.

This document constitutes the **non-financial statement (NFS**, which accompanies the annual consolidated financial statements, in conformity with Spanish Law 11/2018. For detailed information about where to find the non-financial information required under that piece of legislation, refer to the “**Where to find disclosures required under Spanish Law 11/2018**” section.

This report followed the Foundation 2021 version of the **GRI Standards**, the Integrated Reporting Framework and the Global Compact principles.

To provide a holistic vision of the company's reality and expound on the material topics, the Corporate Resources and Finance Departments worked on the report, with the latter taking responsibility for its preparation.

This report has been independently assured by **Ernst & Young**, the group's financial statement auditor. Following that assurance process, the **Board of Directors**, which is ultimately responsible for the report, validated and approved its issuance at a meeting held on 29 May 2024.

For additional insight into the company's performance, the reader is also referred to the following official reports, which are accessible from its corporate website: the **annual financial statements, Annual Corporate Governance Report** and **Annual Report on Director Remuneration**. The Annual Corporate Governance Report and Annual Report on Director Remuneration form part of this report and are accessible on the CNMV website.


Pignatelli (Zaragoza)

Materiality

The material topics addressed throughout this report were defined around the company's **analysis** of identified **financial and non-financial risks**, as well as the materiality assessment carried out in 2021.

To carry out that assessment, the company first examined a universe of internal and external documentary sources to identify a preliminary list of material topics. That initial list was then cross-checked by AEDAS Homes' main departments to prioritise them in order of importance, the level to which they are already being adequately addressed and their relevance in relation to the reporting legislation and frameworks analysed. For each topic, a descriptive file was then put together covering their key aspects, risk factors, trends and impacts in relation to the Sustainable Development Goals.

Material topics	Priority	ESG Dimension
Developing property for sustainability and wellbeing	High	Environmental
Climate change	High	Environmental
Environmental management	High	Environmental
Customer experience and quality	Medium	Social
Shareholder value	Medium	Governance
Ethics and compliance	Medium	Governance
Generation of quality employment	Medium	Social
Risk management	Medium	Governance
Corporate governance and sustainability	Medium	Governance
Talent attraction, retention and development	Medium	Social
Brand and reputation	Medium	Governance
Digitalisation and innovation	Medium	Governance
Diversity and equality	Medium	Social
Transparency and stakeholder engagement	Medium	Governance
Sustainable finance	Medium	Governance
Circular economy	Medium	Environmental
Biodiversity	Medium	Environmental
Community engagement	Medium	Social

Contact information

Company name	**AEDAS Homes S.A.**
Headquarters	**Paseo de la Castellana, 130** **5th floor** **28046 Madrid, Spain**
Telephone	**+ 34 917 880 000**
General email contact	**info@aedashomes.com**
Corporate website	**www.aedashomes.com**
Share capital	**€43,700,000**
No. of shares outstanding	**43,700,000**
Par value per share	**€1.00**
Business activity	**New-build residential development**
Markets	**Spain**

GRI content index

Declaration of use
AEDAS Homes presents the information cited in this GRI Content Index for its 2023/24 fiscal year (1 April 2023 - 31 March 2024), using the GRI Standards as a reference.
GRI standard used
GRI 1: Foundations 2021

GRI STANDARD	DISCLOSURES	LOCATION IN THIS REPORT	PAGE(S)
GRI 2: General Disclosures 2021	2-1 Organisational details	AEDAS Homes at a glance Contact information	10, 11 286
	2-2 Entities included in the organisation's sustainability reporting	Our background	20
	2-3 Reporting period, frequency and contact point	Methodology Contact information	284 286
	2-4 Restatements of information	Methodology	284
	2-5 External assurance	Assurance report	303
	2-6 Activities, value chain and other business relationships	Our background Our lines of business Our business model Suppliers: collaborating for everyone's benefit	17-21 22-29 30-38 163-177
	2-7 Employees	Our professionals: the talent driving our growth Appendix: Data tables	140-162 304-308

GRI STANDARD	DISCLOSURES	LOCATION IN THIS REPORT	PAGE(S)
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Governing bodies	238-265
	2-10 Nomination and selection of the highest governance body	Governing bodies	239
	2-11 Chair of the highest governance body	Governing bodies	246
	2-12 Role of the highest governance body in overseeing the management of impacts	Committed to sustainable development	44
	2-13 Delegation of responsibility for managing impacts	Committed to sustainable development	44
	2-14 Role of the highest governance body in sustainability reporting	Methodology	284
	2-19 Remuneration policies	Statement from the Chairman	265
	2-22 Statement on sustainable development strategy	Committed to sustainable development	3-5
	2-23 Policy commitments	Integration of ESG aspects into the risk model	39-44
	2-24 Embedding policy commitments	Risk management	280-282
	2-25 Processes to remediate negative impacts	Business ethics	274-277
	2-27 Compliance with laws and regulations	Society: we contribute to the sector's development and give back to the community	266-273
	2-28 Membership associations	Society: we contribute to the sector's development and give back to the community	182
	2-29 Approach to stakeholder engagement	Collaborating with our stakeholders	112-115
	2-30 Collective bargaining agreements	Our professionals: the talent driving our growth	144

GRI STANDARD	DISCLOSURES	LOCATION IN THIS REPORT	PAGE(S)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality	285
	3-2 List of material topics	Materiality	285
	3-3 Management of material topics	Materiality Advances in industrialised and sustainable construction Customers: innovating for their satisfaction Our shareholders: key support for our business Business ethics Our professionals: the talent driving our growth Risk management Collaborating with our stakeholders Society: we contribute to the sector's development and give back to the community	285 197-208 125-139 116-124 266-274 140-162 274-277 112-115 178-195
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Society: we contribute to the sector's development and give back to the community	179
	201-4 Financial assistance received from government	Society: we contribute to the sector's development and give back to the community	180
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Suppliers: collaborating for everyone's benefit	165
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business ethics **See Anticorruption Policy**	272

GRI STANDARD	DISCLOSURES	LOCATION IN THIS REPORT	PAGE(S)
GRI 207: Tax 2019	207-1 Approach to tax	Society: we contribute to the sector's development and give back to the community	180
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental footprint of AEDAS Homes	218, 219
	302-4 Reduction of energy consumption	Environmental footprint of AEDAS Homes	218, 219
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environmental footprint of AEDAS Homes	219
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental footprint of AEDAS Homes	220-221
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental footprint of AEDAS Homes	220-221
	305-5 Reduction of GHG emissions	Environmental footprint of our developments	235
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Environmental footprint of AEDAS Homes	219
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Suppliers: collaborating for everyone's benefit	168

GRI STANDARD	DISCLOSURES	LOCATION IN THIS REPORT	PAGE(S)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our professionals: the talent driving our growth	140-162
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our professionals: the talent driving our growth	140-162
	403-5 Worker training on occupational health and safety	Our professionals: the talent driving our growth	140-162
	403-6 Promotion of worker health	Our professionals: the talent driving our growth	140-162
	403-9 Work-related injuries	Our professionals: the talent driving our growth	140-162
	403-10 Work-related ill health	Our professionals: the talent driving our growth	140-162
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our professionals: the talent driving our growth	148
	404-2 Programs for upgrading employee skills and transition assistance programs	Our professionals: the talent driving our growth	148-150
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our professionals: the talent driving our growth Governing bodies	140-162 243
	405-2 Ratio of basic salary and remuneration of women to men	Appendix: Data tables	307

GRI STANDARD	DISCLOSURES	LOCATION IN THIS REPORT	PAGE(S)
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Business ethics	266-272
GRI 412: Human Rights Assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Business ethics	266-272
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Society: we contribute to the sector's development and give back to the community	278-295
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Suppliers: collaborating for everyone's benefit	163-177

Traceability to Spanish Law 11/2018

Index of the content required under Spanish Law 11/2018, of 28 December 2018, amending the Code of Commerce, the consolidated text of the Corporate Enterprises Act enacted by Royal Decree-Law 1/2010, of 2 July, and Law 22/2015, of 20 July, on financial statement audits, as regards non-financial and diversity reporting.

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
GENERAL INFORMATION			
Business model			
Brief description of the group's business model (business environment and organization)	2-1 2-2 2-6	AEDAS Homes at a glance Our background Our lines of business Our business model Contact information Suppliers: collaborating for everyone's benefit	10, 11 17-21 22-26 30-38 286 163-177
Geographical presence	2-1	AEDAS Homes at a glance Contact information	10, 11 286
Objectives and strategies of the organisation	2-22	Statement from the Chairman Our strategic vision	3-5 45-60
Main factors and trends that may affect its future evolution	- 2-25	Economic and market dynamics Risk management	62-68 274-277
General			
Mention in the report of the national, European or international reporting framework used for the selection of key indicators of non-financial results included in each of the sections	GRI 1: Foundations	Methodology GRI content index	284 288-293

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
ENVIRONMENTAL ISSUES			
General Information			
A description of the policies applied by the Group regarding said issues	3-3 2-23	Climate Action Policy Advances in industrialised and sustainable construction	209-210 197-208
The results of these policies	2-27	Environmental footprint of our developments Environmental footprint of AEDAS Homes	211-216 217-222
The main risks related to those topics or issues	-	Climate change risk management	223-235
Detailed Information			
On current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	-	Environmental footprint of our developments Environmental footprint of AEDAS Homes	211-216 217-222
On current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	-	Environmental footprint of our developments Environmental footprint of AEDAS Homes	211-216 217-222
Regarding the environmental evaluation or certification procedures	-	During the year, the company has allocated expenses and investments worth €625,331.68 (before taxes) to environmental purposes. In the previous year, the budget allocated to environmental purposes was €814,216.10 (before taxes), which implies a year-on-year decrease of 23%.	
On the resources dedicated to the prevention of environmental risks	3-3	Advances in industrialised and sustainable construction	197-208
On the amount of provisions and guarantees for environmental risks	-	Environmental footprint of AEDAS Homes	217-222
● Pollution			
Measures to prevent, reduce or repair emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution	-	Environmental footprint of our developments	214

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
Circular Economy and prevention and management of waste			
Prevention measures, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste	3-3 306-2	Advances in industrialised and sustainable construction Environmental footprint of AEDAS Homes Food waste is not a material issue for the company.	202, 203 217-222
Sustainable use of resource			
Water consumption and water supply according to local limitations	303-5	Environmental footprint of AEDAS Homes	218, 219
Consumption of raw materials and measures adopted to improve the efficiency of their use	-	Environmental footprint of AEDAS Homes	219
Consumption of energy (direct and indirect)	302-1	Environmental footprint of AEDAS Homes	218, 219
Measures taken to improve energy efficiency	302-4	Environmental footprint of AEDAS Homes	219, 222
Use of renewable energy	302-4	Environmental footprint of AEDAS Homes	219, 222
Climate change			
Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	-	We do not have proprietary equipment that generates emissions of substances that deplete the ozone layer (ODS), nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions into the air.	220
Measures taken to adapt to the consequences of climate change	-	Climate change risk management	223-234
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	305-5	Environmental footprint of our developments	220, 221, 235
Biodiversity protection			
Measures taken to preserve or restore biodiversity	-	Climate Action Policy	209-210
Impacts caused by activities or operations in protected areas	-	AEDAS Homes does not have offices or carry out activity in protected areas.	

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
SOCIAL AND EMPLOYEE MATTERS			
General Information			
A description of the policies applied by the Group regarding said issues	3-3	Our professionals: the talent driving our growth	144
The results of these policies	3-3	Our professionals: the talent driving our growth	145-162
The main risks related to those topics or issues	3-3	Risk management	274-277
Detailed Information			
• Employment			
Total number and breakdown of employees according to criteria representative of diversity (sex, age, country, etc.)	2-6 2-7 405-1	Our professionals: the talent driving our growth Appendix: Data tables	140-162 303
Total number and distribution of types of employment contracts, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	2-7	Appendix: Data tables Closing data is being reported due to low inter-month fluctuation in data	304
Number of dismissals by sex, age and professional classification	401-1	Appendix: Data tables	305
Average remuneration and its trend broken down by sex, age and professional classification or equal value	405-2	Appendix: Data tables	306
Salary gap, remuneration for equal or average jobs in society	405-1	Our professionals: the talent driving our growth Appendix: Data tables	146 306
Average remuneration of Directors and company executives, including variable remuneration, per diems, indemnities	405-2	Director Remuneration Policy	265
Average Director remuneration	405-2	Director Remuneration Policy	306
Implementation of right to disconnect policies	-	Our professionals: the talent driving our growth	154
Employees with disabilities	405-1	Our professionals: the talent driving our growth	143

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
Workplace organisation			
How working time is organised	-	Our professionals: the talent driving our growth	153-154
Number of hours of absenteeism	-	Our professionals: the talent driving our growth	155
Measures designed to foster a work-life balance and encourage the responsible use of those measures by both parents	-	Our professionals: the talent driving our growth	153-154
Occupational Health and Safety			
Health and safety conditions at work	403-1	Our professionals: the talent driving our growth	157-162
Workplace accidents, specifying frequency and severity, as well as work-related illnesses broken down by gender	-	Our professionals: the talent driving our growth	158
Labour relations			
How management-employee dialogue is organised, including procedures for informing, consulting and negotiating with employees	-	Collaborating with our stakeholders Our professionals: the talent driving our growth	112-115 155
Percentage of employees covered by collective bargaining agreements, by country	2-30	Our professionals: the talent driving our growth	144
List of collective agreements, particularly in the field of occupational health and safety	403-4	Our professionals: the talent driving our growth	140-162
Training			
Training policies implemented	-	Our professionals: the talent driving our growth	148-151
Total number of training hours by job category	404-1	Our professionals: the talent driving our growth	148
Universal accessibility for people with disabilities	405-1	Our professionals: the talent driving our growth	153

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
Equality			
Measures taken to foster equal treatment of and equality opportunity among women and men	405-2	Our professionals: the talent driving our growth	143, 156
Equality plans (Chapter III of Organic Law 3/2007, of 22 March, on effective gender equality), measures taken to foster employment, protocols against sexual and gender-based harassment, workplace integration and universal accessibility for people with disabilities	-	Our professionals: the talent driving our growth	144, 152
Policies against discrimination in all its forms and, where appropriate, diversity management	-	Our professionals: the talent driving our growth	152, 153
RESPECT FOR HUMAN RIGHTS			
General Information			
A description of the policies applied by the Group regarding said issues	3-3	Committed to sustainable development **See Code of Conduct** **See Third Party Code of Conduct**	39-42
The results of these policies	3-3	Committed to sustainable development **See Code of Conduct** **See Third Party Code of Conduct**	39-42
The main risks related to those topics or issues	-	Business ethics	270-272
Detailed Information			
Human rights due diligence procedures, prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed.	2-23	Committed to sustainable development Business ethics	39-44 270-272
Claims of human rights abuses	-	Business ethics	271
Promotion of and compliance with the provisions contained in the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining; the elimination of workplace discrimination; the elimination of forced or compulsory labour; the effective abolition of child labour.	414-1	Our professionals: the talent driving our growth Suppliers: collaborating for everyone's benefit	144 171

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
FIGHTING AGAINST CORRUPTION AND BRIBERY			
General Information			
A description of the policies applied by the Group regarding said issues	3-3	Committed to sustainable development Business ethics **See Anticorruption Policy**	39-41 266-273
The results of these policies	3-3	Committed to sustainable development Business ethics **See Anticorruption Policy**	39-41 266-273
The main risks related to those topics or issues	-	Committed to sustainable development Business ethics **See Anticorruption Policy**	39-41 266-273
Detailed Information			
Measures taken to prevent corruption and bribery	2-27	Business ethics	266-273
Measures taken to combat money laundering	2-27	Business ethics	266-273
Contributions to non-profit entities	-	In FY 2023/24, the company contributed €44,998 to foundations and non-profit entities. In the previous financial year, €72,168 was contributed.	
SOCIETY MATTERS			
General Information			
A description of the policies applied by the Group regarding said issues	3-3	Society: we contribute to the sector's development and give back to the community	178-195
The results of these policies	3-3	Society: we contribute to the sector's development and give back to the community	178-195
The main risks related to those topics or issues	-	Business ethics	268-273

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
Detailed Information			
Commitment to sustainable development			
The impact of the undertaking's activities on local employment and development	201-1 204-1 413-1	Suppliers: collaborating for everyone's benefit Society: we contribute to the sector's development and give back to the community	165 178-195
The impact of the undertaking's activities on local populations and territories	204-1 413-1 201-1	Suppliers: collaborating for everyone's benefit Society: we contribute to the sector's development and give back to the community	165 178-195
Engagement with local community representatives; communication channels in place	-	Society: we contribute to the sector's development and give back to the community	180
Membership in associations and sponsorships	-	Society: we contribute to the sector's development and give back to the community	193, 194
Outsourcing and suppliers			
Inclusion of social, gender quality and environmental matters in procurement policies	2-6 308-1 414-1	Suppliers: collaborating for everyone's benefit	163-177 168
How social and environmental responsibility is factored into relations with suppliers and subcontractors.	308-1 414-1	Suppliers: collaborating for everyone's benefit	163-177 168
Supplier oversight and audit systems and related outcomes.	-	Suppliers: collaborating for everyone's benefit	168, 169
Consumers			
Consumer health and safety measures	-	Customers: innovating for their satisfaction	136
Consumer claims, complaints and remediation systems	-	Customers: innovating for their satisfaction	137, 138
Tax information			
Tax Policy	207-1	Society: we contribute to the sector's development and give back to the community	180

INFORMATION REQUIRED UNDER SPANISH LAW 11/2018	CROSS- REFERENCED WITH GRI DISCLOSURES (illustrative)	Location or direct response	Page(s)
Profits earned, country by country	-	AEDAS Homes operates solely in Spain. Information on profit can be found in the “Earnings performance” section of this report.	91
Corporate income tax paid	207-1	Earnings performance	180
Government grants received	201-4	Society: we contribute to the sector’s development and give back to the community	180
OTHER RELEVANT INFORMATION			
Other useful information on the drafting of this document			
Basis for drafting of the Report	2-1 2-3 2-5	Methodology Materiality Contact information	284 285 276
Scope of the Report	2-2 2-3 2-4 3-1 3-2 3-3	Methodology	284
Stakeholder engagement	2-29	Collaborating with our stakeholders	112-115
Risk management	3-3	Risk management	274-277
Corporate governance	2-9 2-11 2-19	Corporate Governance	236-282

Assurance report

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended March 31, 2024

AEDAS HOMES, S.A. and SUBSIDIARIES

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INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

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

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended March 31st (2023/2024), of AEDAS HOMES, S.A. and subsidiaries (hereinafter, the Group), which is part of accompanying Consolidated Management Report of AEDAS HOMES S.A.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the section "Traceability to Spanish Law 11/2018" of the accompanying Consolidated Management Report.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of AEDAS HOMES S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by current commercial regulation and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in section "Traceability Law 11/2018" the accompanying Consolidated Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023/2024 based on the materiality analysis made by the Group and described in the section "Materiality", considering the content required by prevailing mercantile regulations.
- Analysis of the processes for gathering and validating the data included in the 2023/2024 Non-Financial Statement.
- Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023/2024 NFS.
- Check, through tests, based on a selection of a sample, the information related to the content of the 2023/2024 NFS and its correct compilation from the data provided by the information sources.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended March 31, 2024 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in section "Traceability to Spanish Law 11/2018" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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Elena Fernández García

May 29, 2024

Appendix
Data tables

HEADCOUNT AT YEAR-END (BY GENDER)**

	2022/23	2023/24
Men	151	158
Women	151	153
Total	**302**	**311**

HEADCOUNT AT YEAR-END (BY CONTRACT TYPE)

	2022/23	2023/24
Permanent contract	289	305
Temporary contract	13	6
Total	**302**	**311**

HEADCOUNT AT YEAR-END (BY AGE RANGE)

	2022/23	2023/24
<30	15	18
30-50	197	183
>50	90	110
Total	**302**	**311**

HEADCOUNT AT YEAR-END (BY JOB CATEGORY)

	2022/23	2023/24
Executives	52	55
Middle managers	74	73
Others*	176	183
Total	**302**	**311**

* Technical, administrative and other roles
** The difference with regard to the Annual Financial Statements is related to the role of the CEO.

HEADCOUNT AT YEAR-END (BY GENDER AND CONTRACT TYPE)**

	2022/23		2023/24	
	Permanent	Temporary	Permanent	Temporary
Men	148	3	155	3
Women	141	10	150	3
Total	**289**	**13**	**305**	**6**

HEADCOUNT AT YEAR-END (BY AGE RANE AND CONTRACT TYPE)

	2022/23		2023/24	
	Permanent	Temporary	Permanent	Temporary
<30	10	5	13	5
30-50	190	7	182	1
+50	89	1	110	
Total	**289**	**13**	**305**	**6**

HEADCOUNT AT YEAR-END (BY JOB CATEGORY AND CONTRACT TYPE)

	2022/23		2023/24	
	Permanent	Temporary	Permanent	Temporary
Executives	52	0	55	
Middle managers	74	0	73	
Others*	163	13	177	6
Total	**289**	**13**	**305**	**6**

* Technical, administrative and other roles
** The company does not have part-time contracts.

CONTRACTS TERMINATED BY GENDER

	2022/23	2023/24
Men	8	12
Women	16	4
Total despidos	**24**	**16**

CONTRACTS TERMINATED BY AGE RAGE

	2022/23	2023/24
<30	2	1
30-50	15	9
+50	7	6
Total	**24**	**16**

CONTRACTS TERMINATED BY JOB CATEGORY

	2022/23	2023/24
Executives	3	3
Middle managers	4	5
Others*	17	8
Total	**24**	**16**

* Technical, administrative and other roles

AVERAGE SALARY* BY JOB CATEGORY (€)

	2022/23			2023/24		
	Men	Women	Percentage	Men	Women	Percentage
Executives	109,836	109,040	0.7%	112,373	111,011	1.2%
Middle managers	56,744	49,462	12.8%	59,889	50,973	14.9%
Technical roles	44,510	39,385	11.5%	46,322	40,396	12.8%
Sales roles	21,000	22,313	-6.3%	21,658	22,814	-5.3%
Administrative roles	25,686	24,347	5.2%	26,973	25,229	6.5%

AVERAGE SALARY* BY AGE RANGE (€)

	2022/23			2023/24		
	Men	Women	Percentage	Men	Women	Percentage
<30	34,667	29,545	14.8%	31,400	30,044	4.3%
30-45	51,350	37,869	26.3%	58,747	41,552	29.3%
>45	74,132	52,634	29.0%	79,364	58,865	25.8%

* Data from 31 March 2023 to 31 March 2024, Annual Gross Salary

ABSENTEEISM

	Hours of absenteeism		Absenteeism rate	
	2022/23	2023/24	2022/23	2023/24
Workplace injury	608	0	0.1%	0.0%
Common illness	9,152	9,928	1.7%	1.8%
Maternity or paternity leave	8,800	11,960	1.6%	2.2%
TOTAL	**18,560**	**21,888**	**3.4%**	**4.0%**

Integrated Annual Report 2023/24

CONSOLIDATED MANAGEMENT REPORT

AEDAS HOMES

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Zenity Blau (Estepona)

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended March 31, 2024

AEDAS HOMES, S.A. and SUBSIDIARIES

Building a better
working world

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INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

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The preparation of the NFS included in the Consolidated Management Report of AEDAS HOMES S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by current commercial regulation and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in section "Traceability Law 11/2018" the accompanying Consolidated Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.

- Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023/2024 based on the materiality analysis made by the Group and described in the section "Materiality", considering the content required by prevailing mercantile regulations.

- Analysis of the processes for gathering and validating the data included in the 2023/2024 Non-Financial Statement.

- Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023/2024 NFS.

- Check, through tests, based on a selection of a sample, the information related to the content of the 2023/2024 NFS and its correct compilation from the data provided by the information sources.

- Obtaining a representation letter from the Board of Directors and Management.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended March 31, 2024 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in section "Traceability to Spanish Law 11/2018" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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Elena Fernández García

May 29, 2024

DECLARACIÓN DE RESPONSABILIDAD DE AEDAS HOMES, S.A.	DECLARATION OF LIABILITY OF 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:	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:
Que, hasta donde alcanza su conocimiento, las Cuentas Anuales consolidadas de Aedas Homes, S.A. y sus sociedades dependientes, correspondientes al ejercicio anual terminado el 31 de marzo de 2024 han sido elaboradas con arreglo a los principios de contabilidad aplicables; ofrecen, tomadas en su conjunto, la imagen fiel del patrimonio, de la situación financiera y de los resultados de Aedas Homes, S.A. y sus sociedades dependientes; y el Informe de Gestión consolidado incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de Aedas Homes, S.A. y sus sociedades dependientes, junto con la descripción de los principales riesgos e incertidumbres a que se enfrentan.	That, to the best of its knowledge, the consolidated Annual Accounts of Aedas Homes, S.A. and its subsidiaries, corresponding to financial year ended March 31, 2024, have been prepared in accordance with applicable accounting principles; offer, taken as a whole, the true image of the Equity, the financial situation and the results of Aedas Homes, S.A. and its subsidiaries companies; and the Consolidated Management Report includes a faithful analysis of the evolution and business results and the position of Aedas Homes, S.A. and its dependent companies, together with the description of the main risks and uncertainties that they face.
Los consejeros, en prueba de conformidad, firman esta hoja:	The Members of the Board, in proof of compliance, sign this sheet:
__________________________ D. Santiago Fernández Valbuena Presidente	__________________________ Mr. Santiago Fernández Valbuena Chairmain
______________________ D. David Martínez Montero Consejero Delegado	______________________ Mr. David Martínez Montero Chief Executive Officer
__________________________ D. Eduardo D’Alessandro Cishek Consejero	__________________________ Mr. Eduardo D'Alessandro Cishek Board Member

D. Javier Lapastora Turpín Consejero	Mr. Javier Lapastora Turpín Board Member
Dña. Milagros Méndez Ureña Consejera	Mrs. Milagros Méndez Ureña Board Member
Dña. Cristina Álvarez Álvarez Consejera	Mrs. Cristina Álvarez Álvarez Board Member
D. Francisco Javier Martinez-Piqueras Barceló Consejero	Mr. Francisco Javier Martinez-Piqueras Barceló Board Member
29 de mayo de 2024, Madrid	May 29th 2024 Madrid

Yo, Alfonso Benavides Grases, Secretario no consejero del Consejo de Administración, certifico la autenticidad de las firmas que anteceden de las personas cuyo nombre figura en la parte inferior de la firma correspondiente, siendo todos ellos miembros del Consejo de Administración de Aedas Homes, S.A. 29 de mayo de 2024, Madrid ____________________ D. Alfonso Benavides Grases Secretario del Consejo de Administración	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. May 29th 2024, Madrid ____________________ D. Alfonso Benavides Grases Secretary of the Board of Directors

DILIGENCIA DE FIRMAS

Diligencia que levanta el Secretario no consejero del Consejo de Administración para hacer constar que los miembros del mencionado Consejo de Administración de la sociedad AEDAS HOMES, S.A. han procedido a suscribir las Cuentas Anuales Consolidadas, constitutivas del Balance de Situación consolidado, la Cuenta de Pérdidas y Ganancias consolidado, el Estado de Cambios en el Patrimonio Neto consolidado(estado de ingresos y gastos reconocidos y estado total de cambios en el patrimonio neto), el Estado de Flujos de Efectivo consolidado, la Memoria consolidada y el Informe de Gestión consolidado (incluyendo la información no financiera), correspondientes al ejercicio anual terminado el 31 de marzo de 2024, que han sido elaborados siguiendo el Formato Electrónico Único Europeo (FEUE), conforme a lo establecido en el Reglamento Delegado (UE) 2019/815, con número de identificación: AB98D09F35D2CC12B8B72E91F99E4E57BF95 CBE4FAD5A3CCBEFC691A6AD9B0AB, y han sido formulados por el Consejo de Administración de Aedas Homes, S.A. en sesión de 29 de mayo de 2024. A continuación, se firma de conformidad por todos los Administradores, en cumplimiento del artículo 253 de la Ley de Sociedades de Capital.

29 de Mayo de 2024

SIGNATURE DILIGENCE

Diligence raised by the non-director Secretary of the Board of Directors to record that the members of the Board of Directors of the company AEDAS HOMES, S.A. have proceeded to subscribe the Consolidated Financial Statements, constituent of the consolidated Balance Sheet, the consolidated Income Statement, the consolidated Statement of Changes in Equity(statement of recognized income and expense and statement of changes in total equity), the consolidated Statement of Cashflows, the notes to the Financial statements and the Management Report for financial year ended in March 31st, 2024, have been prepared following European Single Electronic Format (ESEF), in accordance with the provisions of Delegated Regulation (EU) 2019/815, with identification number: AB98D09F35D2CC12B8B72E91F99E4E57B F95CBE4FAD5A3CCBEFC691A6AD9B0AB, and have been prepared by the Board of Directors of Aedas Homes, SA in the meeting held on May 29th of 2024. Then, it is signed in accordance, by all the member of the Board of Directors, in compliance with article 253 of the Companies Act.

29th of May 2024

Secretario no Consejero/Non-director Secretary of the Board of Directors

Alfonso Benavides Grases

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D./Mr. Santiago Fernández Valbuena
Presidente / Chairman

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D. / Mr. David Martínez Montero
Consejero Delegado/Chief Executive Officer

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D. / Mr. Eduardo D'Alessandro Cishek
Consejero/Board Member

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D. / Mr. Javier Lapastora Turpin
Consejero/Board Member

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Dña. / Ms. Milagros Méndez Ureña
Consejera/ Board Member

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Dña. Ms. Cristina Álvarez Álvarez
Consejera/ Board Member

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D. / Mr. Francisco Javier Martinez-Piqueras Barceló
Consejero/ Board Member