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# Annual Report 2024: Conflict of Interest and Related Party Transactions



**Neinor**  
H O M E S

Neinor Homes, SA.; Governance, Risk and Compliance, Internal Audit & ESG  
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## Neinor Homes Conflict of Interest and Related Party Transactions

As established in the Spanish Companies Act<sup>1</sup> and in Neinor Homes' internal regulations<sup>2</sup>, the Audit and Control Committee (ACC) must analyze, among other matters, transactions with related parties carried out by Neinor Homes, in order to submit them to the Board of Directors for approval. Some of these transactions, due to their materiality and at the discretion of the ACC and the Head of GRC, have been requested and submitted for approval along with the corresponding ad hoc report.

It should be noted that in 2023 we updated our Policy on conflicts of interest and related party transactions to incorporate the procedure to be followed in co-investment transactions with certain significant shareholders or Directors, as well as the approval of transactions by email (for reasons of urgency and on an exceptional basis).

By way of summary, the policy establishes that the AGM must approve transactions whose amount is equal to or exceeds 10% of the total asset items. The remaining transactions must be approved by the Board of Directors, which may delegate to the GRC Direction the approval of intercompany transactions and those whose amount does not exceed 0.5% of the Company's net turnover. These delegated transactions will be reported to the Board on an annual basis.

Regarding the approval procedure, when a potential related party transaction is identified, the GRC Direction must be informed. The GRC Department will review it and, if deemed a related party transaction, the responsible party must prepare a report addressed to GRC. After analyzing and reviewing the transaction, GRC will prepare its own report and either approve the transaction (if delegated) or submit it to the Audit and Control Committee for approval and subsequent presentation to the Board of Directors.

### Model background

- The **Standard of conflict of interest and related party transactions** was approved by the Board of Directors on July 15, 2015, and last modified on May 24, 2023. It is published on the corporate website.
- The **procedure** works as follows:
  - A **continuous communication channel** is maintained for related party transactions and conflict of interest.
  - **Every reported transaction is analyzed, recorded and documented**, then either approved or denied by the GRC Direction.
  - **Approved transactions are communicated to the relevant party** through a written authorization.
  - **Denied transactions with a material impact or those requiring a final decision are submitted to the Audit and Control Committee** with an executive report on the transaction.
  - The Governance, Risk and Compliance Direction **maintains records of all conflicts of interest and related party transactions**.
  - The **Audit and Control Committee is informed annually** of conflicts of interest and related party transactions.
  - **Each year, a letter is sent to the Board Members for them to sign**, confirming that they have not been exposed to any conflicts of interest and have neither participated in nor had knowledge of any related party transactions.
  - **An analysis is conducted on invoices received from or issued to companies** related to the Board of Directors or senior management.
  - **Training** on conflicts of interest and related party transactions **is provided to all Group employees** as part of the mandatory annual Ethics, Compliance and Sustainability training.

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#### ❖ Transactions carried out during 2024

**a** 5 asset purchase transactions by **Neinor employees or individuals related to Neinor employees**

Sale price checked, adequate with market price and not below business plan. ERP prices unaltered, with no discounts applied to recorded prices. Sales queue order respected by the sales force. **Transactions authorized, analyzed and recorded by GRC Area.**

**b** 4 asset purchase transactions by the **external sales force or by individuals related to the external sales force of Neinor Homes**

Sale price checked, adequate with market price. ERP prices unaltered, with no discounts applied to recorded prices. Sales queue order respected by the sales force. **Transactions authorized, analyzed and recorded by GRC Area. Training on the related party policy is provided to the entire sales force annually.**

**c** **Transactions involving Shareholders, Advisors or Directors and their related parties**

- **One asset purchase transaction by a related party of an Advisor.** Sale price checked, adequate with market price, not below business plan. ERP prices unaltered, no discounts applied to recorded prices. Sales queue order respected.

**Transaction authorized, analyzed and recorded by GRC Area.**

- **Santander Alternative Investments, SGIIC, S.A.U.** and Neinor Homes, S.A. have created a JV (90% and 10% owned, respectively) to develop a flex-living development, with equity of 60 million euros contributed by both companies. *The transaction was conceived and analyzed at the end of 2024 and approved by Santander's compliance team in early 2025.*

**Transaction analyzed and recorded by GRC Area, with the respective report prepared by GRC and approved by the Audit and Control Committee.**

- **Gesvieco, S.L.** was interested in acquiring two plots from Neinor Homes, S.A., while Quabit Construcción, S.A. was interested in forming a JV for cooperative development with Gesvieco, S.L.. Following the assessment, it was recommended that Quabit Construcción, S.A. not join the cooperative.

**Transaction analyzed and recorded by GRC Area and reported to the ACC. It did not qualify as a related party transaction.**

#### ❖ Transactions not analyzed carried out during 2024

**d** Asset purchase transaction by a **related party of Neinor Homes**

Acquisition of a series of plots in Alovera from Rayet Medioambiente, stemming from merger agreements and subsequent contracts that were already analyzed and presented for approval to the ACC and LIC. However, these agreements involve other acquisitions that, due to encumbrances, negotiations with owners and pending urbanization costs, have not been completed to date. **The GRC Area has informed all parties of the need to report this type of transaction.**

<sup>1</sup> The regulation referred to is Article 529 ter and Article 529 quaterdecies of Royal Legislative Decree 1/2010, of July 2nd, approving the consolidated text of the Spanish Companies Act.

<sup>2</sup> The internal regulations referred to are Regulations of the Board of Directors (Article 5.4.xvi), Audit and Control Committee Charter (Article 10.c) and Standard of Conflict of Interest and Related Party Transactions.

## Neinor Homes Conflict of Interest and Related Party Transactions. Details of 2024

*(Transactions carried out during 2024)*

**a**  
5 asset purchase transactions by **Neinor employees or individuals related to Neinor employees**

One purchase transaction in Bolueta Homes II (Vizcaya) performed by an employee, three purchase transactions in Serena Homes II (Málaga) performed by a related party to a Technical Manager, a Managing Director and a related party to a Managing Director of Neinor Homes, and one purchase transaction in No Ba Homes III (Barcelona) performed by an employee, with sale prices ranging from €280,000 to €500,000.

It was verified that the prices matched those in the sales rate loaded into the ERP, with no discounts or commissions applied. The GRC Area approved the transactions.

**b**  
4 asset purchase transactions by the **external sales force or by individuals related to the external sales force of Neinor Homes**

Four purchase transactions performed by three employees of an external sales force:

- A Technical Director and a Sales Manager interested in purchasing an asset in Creative Homes Bulevar (Málaga).
- A Sales Coordinator interested in purchasing an asset in Creative Homes Bulevar (Málaga) and an asset in Hydra Homes (Málaga).

It was verified that the purchase price was adequate and that ERP prices had not been modified nor were any discounts applied to recorded prices. The GRC Area has approved the transactions.

**c**  
**Transactions involving Shareholders, Advisors or Directors and their related parties**

It was verified that the prices matched those in the sales rate loaded into the ERP, with no discounts or commissions applied. The GRC Area approved the transaction.

Referring to our relationship and businesses dealings with companies related to Shareholders / Advisors / Directors that may create a potential conflict of interest: <sup>(1)</sup>

- **Santander Alternative Investments, SGIC, S.A.U.** and Neinor Homes, S.A. have created a JV (90% and 10% owned, respectively) to develop a flex-living development, with equity of 60 million euros contributed by both companies. *The transaction was conceived and analyzed at the end of 2024 and approved by Santander's compliance team in early 2025.*

The GRC Area verified the documentation and information of the transaction and analyzed its appropriateness. All of this was reflected in the report that was submitted to the ACC, which, after reviewing it and requesting additional information, approved the transaction and forwarded it to the Board for final approval.

- **Gesvieco, S.L.** was interested in acquiring two plots from Neinor Homes, S.A., while Quabit Construcción, S.A. was interested in forming a JV for cooperative development with Gesvieco, S.L.. Following the assessment and in accordance with the recommendations of GRC, it was advised that Quabit Construcción, S.A. not join the cooperative.

The GRC Area verified the documentation and information of the transaction and analyzed its appropriateness. The conclusion was that the transaction did not qualify as related party transaction, as Gesvieco, S.L. was not considered a related party. This conclusion was documented in the report submitted to the ACC.

*(Transactions not analyzed carried out during 2024)*

**d**  
Asset purchase transaction by a **related party of Neinor Homes**

Acquisition of a series of plots in Alovera from Rayet Medioambiente, for a total of €1.149 million, stems from merger agreements and subsequent contracts that were already analyzed and presented for approval to the ACC and LIC. However, these agreements also include additional acquisitions that, due to encumbrances, ongoing negotiations with owners and pending urbanization costs, have not yet been finalized.

Furthermore, as part of these acquisition agreements with Rayet and Rayet Medioambiente, certain receivables held by Neinor and Quabit with the UTE I-15 and the Rayet Group are to be offset. As of December 31, the following receivables remain, inherited from the merger:

- Loan receivable from Quabit Construcción to Rayet Medioambiente for €839 million.
- Loan receivable from Neinor Homes to the Rayet Group for €531 million.
- Loan receivable from Neinor Homes to the UTE I-15 for €1.864 million.

Other receivables, no longer reflected in the balance sheets, have likely been offset.

To gain a clearer understanding of the evolution of these balances, signed contracts, offsets, I-15's cash position, the reasonableness of QC's collection of €7.6 million owed by UTE I-15 for urbanization works, advance payments to FA and expected remuneration agreements, we request approval to conduct a detailed analysis and prepare a comprehensive report.

(1)

In addition to this report, the related-party transactions are reflected in section D of the Annual Corporate Governance Report (ACGR), specifically in points D.2. and D.5..

In accordance with our Conflict of Interest and Related Party Transactions Policy, which states that transactions conducted at market conditions do not require Board approval but are instead delegated to the Governance, Risk, and Compliance and Internal Audit Department, which will follow an internal information protocol to inform the ACC and the Board, we hereby inform you that the related-party transactions with Santander Group have been as follows:

Company name	Brief description of the operation and other information necessary for its assessment	Amount (thousands of euros)
Banco Santander (Santander Group)	Financial income from interest in favor of the company	3,007
Banco Santander (Santander Group)	Financial expenses	5,436
Banco Santander (Santander Group)	Creditor balance / Financial debt liability as of 31.12.2023 from financing operations related to development activities	32,164
Banco Santander (Santander Group)	Debtor balance / Asset. Net cash position with said entity in favor of the company as of 31.12.2023	250,428
Landcompany 2020, S.L. (Santander Group)	Income from the subsidiary company, Quabit Construcción, for real estate development works	11,721
Landcompany 2020, S.L. (Santander Group)	Debtor balance from the subsidiary company, Quabit Construcción, for the execution of real estate development	2,243

The remaining related-party transactions carried out in 2024, as they were conducted under standard conditions, are detailed in the Annual Corporate Governance Report (ACGR).

### Final assessment 2024

- ✓ **No conflicts of interest or related party transactions** have materialized.
- ✓ **No major risks** related to conflicts of interests or related party transactions have been identified within Neinor Homes Group.
- ✓ **One transaction** have been submitted to the Audit and Control Committee for approval.