DECLARATION OF THE DIRECTORS´ RESPONSIBILITY

The members of the Board of Directors of Neinor Homes, S.A. (“Neinor” or the “Company”) on its meeting held on February 25, 2025, and according to article 118 of the reinstated text of the Spanish Securities Markets Act approved by Royal Legislative Decree 4/2015 of 23 October as well as to article 8 b) of Royal Decree 1362/2007 of 19 October, declare that, as far as they are aware, the individual Annual Accounts of the Company, as well as the consolidated ones with its dependent companies, corresponding to the financial year ended December 31, 2024, drawn up by the Board of Directors on the referred meeting on February 25, 2025 and prepared in accordance with the applicable accounting principles, offer a true and fair image of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the complementary management reports of the individual and consolidated Annual Account include an accurate analysis of the business evolution and results of the position of Neinor and the companies within the consolidation taken as a whole, together with the main risks and uncertainties which they face.

Madrid, February 25, 2025

D. Ricardo Martí Fluxá	*D. Borja García-Egotxeaga Vergara*
Chairman of the Board	***Director and Chief Executive Officer***
D. Juan Pepa	*D. Aref H. Lahham*
Director	***Director***
Dª. Anna M. Birulés Bertran	*D. Van J. Stults*
Director	***Director***
D. Alfonso Rodés Vilà	*D. Felipe Morenés Botín-Sanz de Sautuola*
Directo	***Director***
D. Andreas Segal	
DIrector	

Neinor Homes, S.A. and Subsidiaries

Independent Auditor’s Report

Consolidated Financial Statements for the year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards and Consolidated Director´s Report

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Neinor Homes, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Neinor Homes, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2024, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations 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 pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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 judgement, 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 opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the "development" land portfolio	
Description	**Procedures applied in the audit**
The Group has a portfolio of land classified as "development" land located throughout Spain, the carrying amount of which at 31 December 2024 was EUR 416 million. The Group periodically measures these inventories at the lower of acquisition cost and market value, and uses studies conducted by third-party experts unrelated to the entity to determine the market value of its land portfolio. The determination of the market value of the land portfolio is a key matter in our audit, since the dynamic residual method, which is the valuation method generally applied to these assets, requires estimates with a significant degree of uncertainty to be made, including most notably those of the future selling prices and the pace of sales of the various developments, the estimated costs to be incurred to complete the developments, the development times of the land held in the portfolio based on its urban development status and the internal discount rate used on the basis of the nature of each asset. In addition, small percentage changes in the valuation of the property assets could give rise to significant changes in the consolidated financial statements. Therefore, we considered this matter to be a key matter in our audit.	Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the valuation of the land portfolio, as well as tests to verify that the aforementioned controls operate effectively. In order to determine the recoverable amount of the assets, we obtained the appraisal reports of the experts engaged by the Group for the valuation of the entire "development" land portfolio. In this regard, we evaluated the competence, capability and objectivity of the appraisers engaged by the Group and the adequacy of their work for use as audit evidence, for which purpose, with the assistance of our internal valuation specialists, we analysed the valuation procedures and methodology used by those experts. To this end, we performed an automated mass appraisal of the "development" land available in the Group's portfolio at the end of the prior reporting period, taking into account various macroeconomic and microeconomic variables that affect each asset to establish a valuation expectation, as well as an individual RICS appraisal for a sample of assets, on a selective basis, to verify this mass appraisal. Also, for a sample, taken on a selective basis, of the land portfolio, we checked that the technical inputs used by Group management and by the

appraiser were appropriate to the urban conditions of the assets.

Lastly, we analysed and concluded on the appropriateness of the disclosures made by the Group in relation to these matters, which are included in Notes 4.7 and 13 to the accompanying consolidated financial statements.

The results of the procedures performed in relation to the land portfolio valuation enabled the audit objectives for which the procedures were designed to be reasonably achieved.

Valuation of investment property

Description

The Group manages a portfolio of property assets held to earn rentals or for capital appreciation located in Spain, the carrying amount of which at 31 December 2024 was EUR 132 million.

The Group periodically measures these assets at their fair value, and uses studies conducted by third-party experts unrelated to the entity to determine their market value.

The determination of the market value of the investment property is a key matter in our audit, since it requires the use of estimates with a significant degree of uncertainty. In particular, the valuation method generally used for rental property assets is the discounted cash flow method, which requires estimates to be made of the expected net revenue based on the current and/or future rental status of each property on the basis of available historical information and market studies, the residual value of the asset at the end of the projection period and the internal rate of return or opportunity cost used in discounting.

Procedures applied in the audit

Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the valuation of the investment property, as well as tests to verify that the aforementioned controls operate effectively.

In order to determine the fair value of the assets, e obtained the appraisal reports of the experts engaged by the Group for the valuation of all the investment property for 2024.

In this regard, we evaluated the competence, capability and objectivity of the expert appraiser engaged by the Group and the adequacy of their work for use as audit evidence, for which purpose, with the assistance of our internal valuation specialists, we analysed the valuation procedures and methodology used by the experts engaged. Also, we verified that the accounting valuation of the investment property was in accordance with the report of management's expert. For the new investment property in 2024, an independent alternative valuation was carried

In addition, small percentage changes in the key assumptions used for the valuation of the property assets could give rise to significant changes in the consolidated financial statements.

Therefore, we considered this matter to be a key matter in our audit.

out once it had been checked that the technical inputs used by Group management and by the expert appraiser (rent, occupancy rates, marketing period and expected revenue) were in accordance with the information available on the asset itself and/or the industry and transactions involving investment property similar to the investment property portfolio owned by the Group. In addition, we considered the changes in the valuation with respect to the preceding year of the other investment property in its portfolio to determine its reasonableness, taking into account the fact that for that investment property alternative valuations were carried out by our internal specialists in 2023, reviewing the reasons for the changes in the variables used with respect to the preceding year.

Lastly, we analysed and concluded on the appropriateness of the disclosures made by the Group in relation to these matters, which are included in Notes 4.3 and 9 to the accompanying consolidated financial statements.

The results of the procedures performed in relation to the investment property valuation enabled the audit objectives for which the procedures were designed to be reasonably achieved.

Accounting for the investment in Promociones Habitat, S.A.

Description

As described in Note 11, in 2024 the Group acquired from a third party 10% of the share capital of Promociones Habitat, S.A., a company engaging in the same business as the Group and which is accounted for using the equity method (see Note 2.8). On the acquisition date, as a result of the process involved in determining the fair value of the

Procedures applied in the audit

Our audit procedures included, among others, the obtainment and perusal of the agreements relating to the acquisition of the acquired company's share and the management of its property assets with the majority shareholder, checking the payment of the stipulated acquisition price, a comprehensive reading of the due diligence work prior to the acquisition assets acquired and liabilities assumed, a difference was disclosed between the fair value of the consideration paid, amounting to EUR 31.6 million, and the provisional fair value of the net assets and liabilities acquired, resulting in a provisional gain from a bargain purchase of EUR 10.5 million, and this amount was recorded under "Result of Companies Accounted for Using the Equity Method" in the consolidated statement of profit or loss for the year (note 11). The gain from a bargain purchase that arose was recognised provisionally (within the one-year period permitted for doing so in the related Standard) except in relation to the valuation of property assets (inventories) and other intangible assets, for which, as they represented the most significant portion of the assets acquired, the valuation was based on the appraisal reports of independent experts. At 31 December 2024, the unallocated provisional gain from a bargain purchase associated with Promociones Habitat, S.A. amounted to EUR 8,275 thousand, after having considered its recognition in profit or loss in relation to the transactions performed in the period from the acquisition date to 2024 year-end (note 11).

In this context, the determination of the fair value of the assets acquired and the liabilities assumed, performed by the Group with the assistance of an independent expert, required the application of valuation techniques, such as the dynamic residual method for the valuation of its property assets, and the royalty from relief approach for the valuation of the brand. These valuation techniques require significant judgements and estimates to be made regarding the assumptions considered and, therefore, we considered this matter to be a key matter in our audit.

and the analysis of the documentation associated with the purchase price allocation process carried out by the Group at the acquisition date, which includes the report of an expert engaged to determine the fair value of the property assets and the brand recognised. We verified the clerical accuracy of the calculations made in determining the provisional values of the acquired assets and liabilities and the reasonableness of the main assumptions considered in the analysis carried out by the Group and its expert, related mainly to the valuation of the property assets and the brand.

We evaluated the competence, capability and objectivity of the expert engaged by the Group. Also, we obtained an understanding of the expert's work and of the suitability of that work for use as audit evidence. We involved our internal valuation experts in evaluating, mainly, the methodology employed by the expert engaged, the inputs considered in the valuation of property assets and the brand, and performed a valuation with alternative inputs of the brand, and on a selective basis, analysed for a sample of the property assets at the acquisition date. Also, we verified the recognition in profit or loss of the values allocated in relation to the transactions performed by Promociones Habitat, S.A. in the period from the acquisition date to year-end.

Lastly, we analysed and concluded on the appropriateness of the disclosures included in notes 2.8, 4.11 and 11 to the accompanying consolidated financial statements.

The results of the procedures performed in relation to this matter enabled the audit objectives for which the procedures were designed to be reasonably achieved.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2024, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Directors' Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2024 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and Audit Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors 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 Parent's directors 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 have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

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 the audit regulations in force 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.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on the following pages, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Neinor Homes, S.A. and subsidiaries for 2024, which comprise the XHTML file including the consolidated financial statements for 2024 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Neinor Homes, S.A. are responsible for presenting the annual financial report for 2024 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Parent's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

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

Additional Report to the Parent's Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit committee dated 25 February 2025.

Engagement Period

The Annual General Meeting held on 16 April 2024 appointed us as auditors of the Group for a period of one year from the year ended 31 December 2023.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the financial statements uninterruptedly since the year ended 30 June 2015 and, therefore, since the year ended 31 December 2017, the year in which the Parent became a Public Interest Entity.

DELOITTE AUDITORES, S.L.
Registered in ROAC under no. S0692

Alicia Izaga
Registered in ROAC under no. 17477

25 February 2025

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism 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 the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors 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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit committee 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 Parent's audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we have communicated with it all matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards applied to eliminate or reduce the corresponding threat.

From the matters communicated with the Parent's audit 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.

NEINOR HOMES, S.A.
AND SUBSIDIARIES (NEINOR HOMES GROUP)

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Thousands of Euros)

ASSETS	Notes	31.12.24	31.12.23 (*)
NON-CURRENT ASSETS:			
Goodwill		4.470	4.470
Other intangible assets	4.2 and 7	3.089	4.596
Right-of-use assets	10 and 18.2	3.062	3.936
Property, plant and equipment	4.2 and 8	3.984	4.843
Investment property	4.3 and 9	131.743	148.728
Investments in associates	2.8, 11 and 24	45.038	9.124
Non-current financial assets	4.10 and 12	9.025	24.332
Deferred tax assets	21.3 and 27.1	92.985	105.585
Total non-current assets		**293.396**	**305.614**
CURRENT ASSETS:			
Inventories	13	935.655	1.012.394
Trade and other receivables	14	78.175	102.414
Investments in associates	24	21.916	9.081
Current financial assets	4.10 and 12	6.742	2.887
Tax receivables	21.3	20.437	24.487
Prepayments		550	336
Cash and cash equivalents	15 and 28	368.430	188.360
Total current assets		**1.431.905**	**1.339.959**
TOTAL ASSETS		**1.725.301**	**1.645.573**

EQUITY AND LIABILITIES	Notes	31.12.24	31.12.23 (*)
Equity		**862.255**	**977.954**
Share capital	16.1	478.302	655.227
Share premium		63	63
Legal reserve	16.2 and 16.3	6.293	6.293
Reserves of the Parent	16.3	47.862	56.626
(Own Shares)	16.4	(5.421)	(4.647)
Other reserves		(232)	1.275
Reserves at fully consolidated companies	16.3	273.514	172.490
Reserves of companies accounted for using the equity method	16.3	(134)	-
Profit for the year attributable to owners of the Company	23.5	62.008	90.627
Value adjustments		**(3.518)**	**(2.580)**
Other value adjustments		(3.518)	(2.580)
Total equity attributable to owners of the Company		**858.737**	**975.374**
Non-controlling interests		2.974	2.589
Total equity	**16**	**861.711**	**977.963**
NON-CURRENT LIABILITIES:			
Provisions		82	500
Bank borrowings	18 and 24	41.036	163.468
Other non-current financial liabilities	18 and 19	322.358	5.172
Deferred tax liabilities	21.3 and 27.1	11.428	10.807
Total non-current liabilities		**374.904**	**179.947**
CURRENT LIABILITIES:			
Provisions	17	24.807	34.509
Bank borrowings	18 and 24	153.252	220.121
Other current financial liabilities	18 and 19	66.728	5.846
Current trade and other payables	20 and 24	124.286	136.446
Tax payables	21.3	27.569	30.652
Other current liabilities	13, 16.1 and 19	92.044	60.089
Total current liabilities		**488.686**	**487.663**
TOTAL EQUITY AND LIABILITIES		**1.725.301**	**1.645.573**

(*) Presented just for comparative purposes.

The accompanying Notes 1 to 29 and Appendix I are an integral part of the consolidated balance sheet at 31 December 2024.

NEOR HOMES, S.A.
AND SUBSIDIARIES (NEINOR HOMES GROUP)

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023
(Thousands of Euros)

	Notes	Period ended 31 December 2024	Period ended 31 December 2023 (*)
Net revenues	23.1 and 24	486.693	590.630
Cost of sales	24	(333.462)	(405.496)
Employee benefits expenses	23.2	(43.758)	(41.890)
Depreciation and amortisation charges	7, 8 and 10	(4.431)	(7.494)
External services	23.3	(46.338)	(43.019)
Change in trade provisions	23.5	(5.294)	2.846
Other operating gains/(losses)		5.859	3.550
Impairment and gains/(losses) on disposals of non-current assets		437	665
Change in fair value of investment properties	2.8 and 9	7.554	6.795
Results of loss of control	2.8	(761)	4.698
PROFIT / (LOSS) FROM OPERATIONS		**66.499**	**111.285**
Finance revenue	14	21.635	9.991
Finance costs	18 and 24	(22.941)	(25.721)
Change in fair value in financial instruments		157	4.799
Impairment and gains/(losses) on disposals of financial instruments		(1.196)	(740)
Shares of companies accounted by the equity method	11	12.593	(105)
PROFIT / (LOSS) BEFORE TAX		**76.747**	**99.509**
Income tax	21.4	(14.354)	(8.145)
PROFIT / (LOSS) FOR THE YEAR		**62.393**	**91.364**
Attributable to owners of the Company	5	**62.008**	**90.627**
Attributable to non-controlling interests		**385**	**737**
Earnings/(losses) per share (Euros):			
Basic	5	0,831	1,216
Diluted	5	0,831	1,216

(*) Presented just for comparative purposes.

The accompanying Notes 1 to 29 and Appendix I are an integral part of the consolidated income statement for the period ended 31 December 2024.

NEINOR HOMES, S.A.
AND SUBSIDIARIES (NEINOR HOMES GROUP)

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Thousands of Euros)

	Notes	Period ended 31 December 2024	Period ended 31 December 2023 (*)
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR		**62.393**	**91.364**
By cash flow hedging (Note 12)		(1.234)	(8.222)
Tax effect (Note 21)		296	1.973
TOTAL RECOGNISED INCOME AND EXPENSE ATTRIBUTABLE DIRECTLY TO EQUITY		**(938)**	**(6.249)**
OTHER RECOGNISED INCOME (EXPENSES)			
ITEMS NOT SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT		-	-
ITEMS SUBJECT TO RECLASSIFICATION TO INCOME STATEMENT		-	-
TOTAL RECOGNISED INCOME AND EXPENSE		**61.455**	**85.115**
Total recognised income and expense attributable to owners of the Company		**61.070**	**84.378**
Total recognised income and expense attributable to non-controlling interests		**385**	**737**

(*) Presented just for comparative purposes.

The accompanying Notes 1 to 29 and Appendix I are an integral part of the consolidated statements of recognised income and expense for the period ended 31 December 2024.

NEINOR HOMES, S.A.
AND SUBSIDIARIES (NEINOR HOMES GROUP)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Thousands of Euros)

	Share capital	Share premium	Legal reserve	Reserves of the Parent	Other Reserves	Own shares	Reserves at fully consolidated companies	Reserves of companies accounted for using	Profit for the year attributable to owners of the Compan	Value adjustments	Non-controlling interests	Total equity
Balance at 31 December 2022 (*)	**736.775**	**63**	**6.209**	**61.306**	**3.868**	**(57.994)**	**76.999**	**-**	**96.271**	**3.669**	**2.843**	**930.009**
Distribution of profit/loss for the year:												
To reserves	-	-	84	763	-	-	95.424	-	(96.271)	-	-	**-**
Income/expense recognised in the period	-	-	-	-	-	-	-	-	90.627	(6.249)	737	**85.115**
Transactions with Treasury Shares	-	-	-	(667)	-	2.023	-	-	-	-	-	**1.356**
Incentive plan payment	-	-	-	-	(2.773)	-	-	-	-	-	-	**(2.773)**
Dividend distribution (Note 16.5)	(81.548)	-	-	(4.776)	-	51.324	-	-	-	-	-	**(35.000)**
Other movements (Notes 4.21 and 16.4)	-	-	-	-	180	-	67	-	-	-	(991)	**(744)**
Balance at 31 December 2023 (*)	**655.227**	**63**	**6.293**	**56.626**	**1.275**	**(4.647)**	**172.490**	**-**	**90.627**	**(2.580)**	**2.589**	**977.963**
Distribution of profit/loss for the year:												
To reserves	-	-	-	(9.231)	-	-	99.992	(134)	(90.627)	-	-	**-**
Income/expense recognised in the period	-	-	-	-	-	-	-	-	62.008	(938)	385	**61.455**
Incentive plan payment (Note 16.4)	-	-	-	-	(1.507)	873	(104)	-	-	-	-	**(738)**
Dividend distribution (Note 16.1, 16.4 and 16.5)	(176.925)	-	-	-	-	636	-	-	-	-	-	**(176.289)**
Other movements (Notes 4.21 and 16.4)	-	-	-	467	-	(2.283)	1.136	-	-	-	-	**(680)**
Balance at 31 December 2024	**478.302**	**63**	**6.293**	**47.862**	**(232)**	**(5.421)**	**273.514**	**(134)**	**62.008**	**(3.518)**	**2.974**	**861.711**

(*) Presented just for comparative purposes.

The accompanying Notes 1 to 29 and Appendix I are an integral part of the consolidated statements of changes in equity for the period ended 31 December 2024.

NEINOR HOMES, S.A.
AND SUBSIDIARIES (NEINOR HOMES GROUP)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Thousands of Euros)

	Notes	Period ended 31 December 2024	Period ended 31 December 2023 (*)
Cash flows from/(used in) operating activities		**76.747**	**99.509**
Adjustments-			
Depreciation and amortisation	7, 8 and 10	4.431	7.494
Change in provisions	17	13.745	5.320
Impairment in inventories		1.045	1.240
Impairment and gains/(losses) on disposal of intangible and tangible assets		(437)	(665)
Finance costs	18	22.941	25.721
Finance revenue	18.2	(21.635)	(9.991)
Change in fair value in financial instruments		(157)	(4.799)
Impairment and gains/(losses) on disposals of financial instruments		1.196	740
Participation in (profits) and losses of companies integrated by the equity method	12	(12.593)	105
Incentive Plans	16.4 and 23.2	(1.507)	5.770
Change in fair value of investment properties	9	(7.554)	(6.795)
Results for loss control of shares	2.8	761	(4.698)
Increase/(Decrease) in current assets and liabilities:			
Inventories		85.220	(56.126)
Trade and other receivables	14	(33.496)	(19.195)
Current trade and other payables	19 and 20	(56.320)	9.495
Other current and non-current assets and liabilities	12 and 19	40.722	(33.913)
Income tax paid	21.4	(10.529)	(8.702)
Total net cash flows from operating activities (I)		**102.580**	**10.510**
Cash flows from/(used in) investing activities:			
Acquisition of shares in associated companies	2.8 and 11	(34.889)	(6.325)
Acquisition of interests in financial investments	12	(6.949)	(22.854)
Investments in intangible and tangible assets	7 and 8	(1.482)	(630)
Investments in investment property	9	(33)	-
Disposals on dividends received from associates	11	13.000	-
Disposals of intangible and tangible assets	7, 8 y 9	11.825	32.561
Disposals in current and non current financial assets		38	78.252
Investments in current and non current financial assets	12	(5.505)	-
Total net cash flows from investing activities (II)		**(23.995)**	**81.004**
Cash flows from/(used in) financing activities:			
Proceeds from bank borrowings and other financial liabilities	18	463.545	579.318
Repayment of bank borrowings and other financial liabilities	18	(222.799)	(671.609)
Interests received	12	6.722	6.383
Interests paid	18 and 24	(31.918)	(11.801)
Transactions with Treasury Shares and other equity transactions	16	-	2.023
Dividend distribution	16.5	(114.065)	(35.000)
Total net cash flows from financing activities (III)		**101.485**	**(130.686)**
Net increase/(decrease) in cash and cash equivalents (I+II+III)		**180.070**	**(39.172)**
Cash and cash equivalents at beginning of the period		188.360	227.532
Cash and cash equivalents at end of year		**368.430**	**188.360**

(*) Presented just for comparative purposes.

The accompanying Notes 1 to 29 and Appendix I are an integral part of the consolidated statement of cash flow for the period ended 31 December 2024.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 30). In the event of a discrepancy, the Spanish-language version prevails. Neinor Homes, S.A. and Subsidiaries

Neinor Homes, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements
for the period ended
December 31, 2024 (hereinafter, 2024 period)

1. Neinor Homes Group Activity

Neinor Homes, S.A. ("the Parent"), was incorporated under the Spanish law. in a deed executed on 4 December 2014. On 1 March 2017, the Parent was registered as a public limited liability company ("S.A.") with a view to its admission to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges. The corporate purpose of Neinor Homes, S.A. is to promote, manage and develop all kind of Real Estate operations. Some of the companies in the group are engaged in the leasing of real estate, on their own account of real estate, as well as the transfer of leased real estate, where appropriate, once the minimum maintenance period has elapsed in accordance with the regimes to which they have adhered (Housing Leasing Entities) and the development of any real estate and urban planning activities analogous to or related to rental properties. On 20 October 2023, the Board of Directors approved the change of its registered office from Calle Ercilla 24, Bilbao (Vizcaya) to Calle Henao 20, Bilbao (Vizcaya). Its registered office is located at Calle Henao 20, Bilbao (Vizcaya), and the Company carries out its activities in Spain. On the website: www.neinorhomes.com and at its registered office, the bylaws and other public information about the Company can be consulted.

In addition to the operations carried out directly, the Parent Company is the head of a Group of subsidiaries with the same corporate purpose and which constitute, together with it, the Neinor Homes Group (hereinafter, the "Group" or the "Neinor Homes Group"), its shares having been admitted to trading on the official secondary market in 2017. Consequently, the Parent Company is obliged to prepare, in addition to its individual financial statements, consolidated annual accounts of the Group, as well as half-yearly financial reports for the consolidated Group in accordance with the provisions of Royal Decree 1362/2007, of 19 October, which implements Law 24/1988, of 28 July, on the Securities Market. in relation to transparency requirements relating to information on issuers whose securities are admitted to trading on an official secondary market or on another regulated market in the European Union.

On 29 March 2017, the shares of the Parent Company were admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. Neinor Homes has been part of the Ibex Small Cap index since December 13, 2022, a stock market financial index prepared by Bolsas y Mercados Españoles (BME) that groups the most important listed companies after the IBEX 35. Since September 2024, it is also part of the Ibex ESG index.

The group's functional currency is the Euro.

The Group's consolidated financial statements for 2023 were prepared on 21 February 2024 by the Directors of the Parent Company in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union (IFRS – EU) and approved by the General Meeting of Shareholders of the Parent Company on 17 April 2024.

2. Basis for presentation of consolidated financial statements

2.1 Bases of presentation

In accordance with Regulation (EC) N. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the law of a member state of the European Union, and whose securities are listed on a regulated market in some of the Member States of the European Union, must submit their consolidated annual accounts for the financial years beginning on or after 1 January 2005 in accordance with International Financial Reporting Standards (hereinafter, IFRS) that have been previously adopted by the European Union.

These consolidated financial statements have been prepared in accordance with these standards, taking into account all the accounting principles and the valuation criteria of mandatory application of IFRS, so that they show a true and fair view of the equity and consolidated financial position of the Neinor Homes Group as of December 31, 2024 and the results of its operations, the changes in consolidated equity and the consolidated cash flows of the year ended on that date.

The consolidated financial statements of the Neinor Homes Group for the year ended 2023, have been obtained from the accounting records maintained by the Parent Company and by the other entities integrated in the Neinor Homes Group in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS). These consolidated financial statements have been prepared by the Directors of the Parent Company at a meeting of its Board of Directors held on February 25, 2025, and are expected to be approved without any modifications.

However, and given that the accounting principles and valuation criteria applied in the preparation of the Group's consolidated financial statements for the financial year 2024 may differ from those used by some of the entities included in the Group, the necessary adjustments and reclassifications have been introduced in the consolidation process to standardise these principles and criteria and to bring them into line with International Financial Reporting Standards.

In order to present the different items that make up the consolidated financial statements in a homogeneous manner, the valuation principles and standards followed by the Parent Company have been applied to all the companies included in the scope of consolidation.

Moreover, the accompanying financial statements for 2024 are presented in accordance with the format and markup requirements established in the Commission Delegated Regulation (EU) 2019/815, of the 17th of December 2018 ("ESEF Regulation").

The 2024 consolidated financial statements of the Group and the financial statements of the Group companies have not yet been approved by their respective shareholders. However, the Parent's Board of Directors considers that those financial statements will be approved without any modifications.

2.2 Adoption of International Financial Reporting Standards

(1) New standards, amendments and interpretations to be applied in the financial year 2024:

During the 2024 financial year, the following mandatory standards and interpretations, already adopted by the European Union, have come into effect. Where applicable, these have been used by the Group for the preparation of these Consolidated Annual Accounts, without having a significant impact:

Approved for use in the European Union		**Mandatory application of financial years starting from:**
Modifications		
Amendment to IAS 1 - Classification of Liabilities as Current or Non-Current and Those Subject to Covenants	Clarifications regarding the presentation of liabilities as current or non-current and in particular those with maturity conditional on compliance with *covenants*.	January 1, 2024
Amendment to IFRS 16 – Lease Liability in a Leaseback Sale.	This amendment clarifies the subsequent accounting of lease liabilities arising in sale and leaseback transactions.	January 1, 2024
Amendment to IAS 7 and IFRS 7 – Financing agreements with suppliers.	This amendment introduces specific disclosure requirements for financing agreements with suppliers and their effects on the company's liabilities and cash flows, including liquidity risk and management of associated risks.	January 1, 2024

The Group has been applying the before mentioned standards and interpretations since their effective date of January 1, 2024. These have not had a significant impact on its accounting policies, and where necessary, the required disclosures have been incorporated into these consolidated annual accounts to ensure compliance. Accordingly, in line with the amendments to IAS 1, the disclosures related to the risks of a non-current liability becoming repayable within the next 12 months have been reviewed, leading to a revision of the content of Note 18 of this consolidated report. Additionally, information regarding active confirming contracts has been expanded within the same note.

(2) New standards, amendments and interpretations of mandatory application in financial years subsequent to the calendar year beginning on 1 January 2025:

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB, but had not yet become effective, either because their effective date is later than the date of the consolidated financial statements, or because they have not yet been adopted by the European Union:

Approved for use in the European Union		Mandatory application of financial years starting from:
Modifications-		
Amendment to IAS 21 – No Convertibility	It modifies the approach that specifies when one currency can be exchanged for another, and if not, the determination of the exchange rate to be used.	January 1, 2025

Not approved for use in the European Union		Mandatory application of financial years starting from:
Standards -		
IFRS 18 – Presentation and disclosures of Financial Statements.	It establishes the requirements for the presentation and disclosure of financial statements, thereby replacing IAS 1, currently in force.	January 1, 2027
IFRS 19 – Disclosures of subsidiaries without public accounting.	It details the disclosures that a subsidiary may optionally apply in the issuance of its financial statements.	January 1, 2027
Modifications and/or interpretations-		
Amendment to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments	Modification of the criteria for the classification of certain financial assets, as well as the criteria for the derecognition of financial liabilities settled through electronic payment systems. Additionally, it introduces additional disclosure requirements.	January 1, 2026
Amendment to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments	Modification of the classification and valuation criteria for renewable electricity purchase agreements, commonly known as power purchase agreements (PPAs).	January 1, 2026
Annual Improvements (vol.11)	The objective of this improvement is the quality of the standards, modifying the existing IFRS to correct or modify minor issues.	January 1, 2026

For the standards that become effective from 2025 and following, the Group has carried out a preliminary assessment of the impacts that the future application of these standards could have once they enter into force, considering at the current date that they either do not apply to them or their impacts will not be significant with the exception of the amendment relating to IFRS 18 on which the Group has begun to work to consider what the effects will be on the disclosure of the consolidated income statement.

2.3 Changes in accounting policies

During the year ended December 31, 2024, there were no significant changes in accounting criteria compared to the criteria applied for the year ended December 31, 2023.

2.4 Functional currency

These consolidated financial statements are presented in euros, as this is the currency of the economic environment in which the Group operates. The Group does not have foreign operations.

2.5 Responsibility for information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Directors of the Group's Parent Company.

1. In the Group's consolidated annual accounts for the financial year ended December 31, 2024, estimates made by the Group's Senior Management and the consolidated entities—subsequently ratified by their Administrators—have occasionally been used to quantify certain assets, liabilities, income, expenses, and commitments recorded therein. These estimates primarily relate to:The fair value of the Group's Real Estate assets (Notes 9 and 13): The Group has obtained valuations from independent experts over 2024 for its real estate assets, the valuation methodology being described in Notes 4.3, 4.7. and 4.19.

2. The assessment of the expected loss on certain financial assets (Notes 4.10 and 12).

3. The useful life of intangible and tangible assets (Notes 7, 8 and 10).

4. The number of certain provisions and, in general, in the determination of the probability and quantification associated with contingent assets and liabilities (Note 17).

5. The recoverability of deferred tax assets (Note 21.5).

6. The valuation of long-term employee benefits (Note 4.21 and 16.4).

7. Compliance with covenants on certain funding received (Note 18.3).

8. The valuation of derivative financial instruments and their classification as accounting hedge (Note 12).

9. Corporate Income Tax expense, considering the Tax Groups headed by Neinor Homes, S.A. and Neinor Península, S.L.U., in accordance with the provisions of Article 99.2 of Provincial Law 11/2013, of 5 December, and in the Special Tax Consolidation Regime, regulated in Chapter VI of Title VII of Law 27/2014, of 27 November, respectively, on Corporation Tax (Note 21.4).

Although these estimates have been made based on the best information available as of December 31, 2024 on the facts analyzed, it is possible that events that may take place in the future may require them to be modified (upwards or downwards) in future years, which would be done, in accordance with the provisions of IAS 8, prospectively, recognising the effects of the change in the estimate in the corresponding consolidated profit and loss account for the affected years. Given the uncertain nature of any estimate based on future expectations in the current economic environment, differences between projected and actual results could become apparent. The importance of these estimates must be taken into account in the interpretation of these consolidated financial statements and, in particular, in the valuation of the Group's real estate assets under the headings "Investment property" and "Inventories" in the accompanying consolidated balance sheet.

During the 2024 financial year, there have been no significant changes in the estimates made at the end of the 2023 financial year.

2.6 Consolidation principles

Dependent entities are considered those over which the Parent Company, directly or indirectly through subsidiaries, exercises control. The Parent Company controls a subsidiary when, due to its involvement, it is exposed to or has rights to variable returns and has the ability to influence those returns through the power it exercises over the entity. The Parent Company has power when it holds substantive existing rights that grant it the ability to direct relevant activities. It is exposed to or has rights to variable returns from its involvement in the subsidiary when the returns it obtains may vary depending on the subsidiary's economic performance. Currently, all subsidiaries are consolidated using the full consolidation method. This situation generally, though not exclusively, arises when the Parent Company directly or indirectly holds 50% or more of the voting rights of the entity.

The participation of minority shareholders, where applicable, is determined based on the proportion of the fair values of the recognized identifiable assets and liabilities. The share of the minority interests in:

1. The equity of their subsidiaries: This is presented under the heading "Non-controlling interests" in the consolidated balance sheet, within the Group's equity section.

2. The results for the year: This is presented under the heading "Profit for the year attributable to non-controlling interests" in the consolidated income statement.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective acquisition date or until the effective date of their exit from the Group or loss of control, as applicable.

Significant balances and transactions between consolidated entities under full consolidation (mainly construction services and corporate services of various kinds), as well as results included in inventories arising from purchases from other Group entities, have been eliminated in the consolidation process.

All subsidiaries have the same financial year as the group.

Associates and joint ventures are accounted for using the equity method. Associates are those in which significant influence is exercised over their management, defined as the ability to participate in the financial and operating policy decisions of the investee, but without having control or joint control. Significant influence is presumed when the interest is equal to or greater than 20%. However, there are cases of significant influence where the Group holds less than a 20% interest due to having representation on the investee's governing body. Joint ventures are those in which joint control is exercised with another party within a company.

The equity method consists of the inclusion in the consolidated balance sheet of the net assets and goodwill, if any, relating to the investment in the associate in the line "Investments in associates" of the value of the net assets and goodwill, if any, corresponding to the interest held in the associated company. The net profit obtained each year corresponding to the percentage of participation in these companies is reflected in the consolidated income statements as " Results from entities accounted for using the equity method ". On the date of an acquisition, the assets, liabilities and contingent liabilities of a subsidiary are calculated at their fair values on that date. The investor's proportionate share of the assets acquired, and liabilities assumed should be adjusted for revaluation or depreciation at fair value in the same manner as in business combination accounting under IFRS 3. Any excess of acquisition cost over the fair values of identifiable net assets acquired is recognized as goodwill. Any shortfall in acquisition cost with respect to the fair values of identifiable net assets acquired (i.e. acquisition discount) is charged to profit or loss in the acquisition period and is part of the heading "Income from companies accounted by equity method" in the consolidated income statement. In these cases, it is previously reassessed whether the investor's proportionate share of all assets acquired, and liabilities assumed has been correctly identified and whether the fair values of the investee's assets and liabilities have been properly determined.

Appropriate adjustments will be made to the entity's share of profit or loss after the acquisition of the associate or joint venture to account, for example, the depreciation of depreciable assets based on their fair values at the acquisition date. Similarly, appropriate adjustments shall be made to the entity's share of profit or loss after the acquisition of the associate or joint venture, to take account of impairment losses on items such as goodwill or property, plant and equipment, inventories, etc., or as the relevant assets are derecognized or disposed of to third parties.

Results from "downstream" transactions with consolidated companies by the equity method are eliminated in the percentage of the group's interest in the latter, with the excess over the investment in the shareholding, where appropriate, being recorded as deferred income. These are mainly land purchases or management and development services for residential real estate assets for sale.

The accounting principles and procedures used by the Group's companies have been standardized in order to present the consolidated financial statements on a homogeneous valuation basis. No temporary homogenization adjustment has been necessary since the closing date of all the companies of the Group is the same.

Appendix I of this consolidated report details the subsidiaries and associates, as well as the information related to them (including, among others, name, address and the direct and indirect participation of the Parent Company in its capital).

2.7 Goodwill and badwill

In the Group's first consolidation in 2015, no goodwill or negative first-time consolidation differences were recognized. Subsequent to the first consolidation, business combinations have occurred, the most notable being the acquisition of Renta Garantizada, S.A. in 2020 and the Quabit Group and Sardes Rental, S.A. (now Neinor Sardes, S.A.) in 2021. The goodwill arising from these acquisitions, once the process of allocating values to the acquired assets and liabilities was completed, is not significant relative to the total assets and is entirely attributed to the acquisition of Renta Garantizada, S.A. In 2024, the acquisition of a 10% stake in Promociones Hábitat, S.A., which is accounted for using the equity method, resulted in a provisional badwill (Note 11) .

2.8 Changes in the scope of consolidation

During 2024, the following changes in the consolidation perimeter occurred:

- On July 12, 2024, the Group agreed to sell Rental Homes NX Propco, S.L., a company holding three Investment property located in Alovera, subject to the delivery of the assets under certain formal conditions depending on the Group itself. The sale was completed in 2024, resulting in its exit from the consolidation perimeter (Notes 9 and 14). The result of this transaction due to the loss of control had no significant impact on the consolidated income statement.

- On December 10, 2024, the Group acquired 100% of the shares in Bluewood Holding Iberia, S.L.U. and Sundowner Holding Iberia, S.L.U. for a total amount of €3,000, through the subsidiary Rental Homes Propco, S.L.U. The shares were fully paid up by December 31, 2024.

- As part of the asset management (AM) or co-investment strategy launched by the Group in 2023, in 2024, the Group acquired a significant influence in various companies, which are consolidated using the equity method. These companies have the common characteristic of the Group holding a stake that grants it a position on the board of directors, a shareholders' agreement governing certain aspects of governance, and the signing of a real estate development contract between the company and the parent company, Neinor Homes, S.A. The details are as follows:

    - On July 1, 2024, the Parent Company made contributions amounting to €800,000 (Note 11), acquiring a 50% stake in Brick Opportunities 9, S.L. based on the framework agreement signed with the Urbanitae Group in 2023, as part of the co-investment strategy announced by both parties. According to this agreement, the partners committed to making joint contributions up to €3.855 million, with the Parent Company's share being 20%. This company will develop a residential project, for which the Group is responsible for the purchase, promotion, management, and administration of the assets in exchange for a market commission. The shareholders' agreement includes a non-transferability period, tag-along rights, buy-sell options between partners, and the method of determining the price if certain conditions are met.

    - On August 2, 2024, an investment and shareholder agreement was signed with Cedarville Spain, S.L.U. (Avenue) regarding the company Waterton Invest, S.L., which is developing a real estate project in Las Lomas del Flamenco (Málaga). At the same time, Neinor Homes, S.A. entered its ownership by subscribing to a capital increase of €1.399 million (Note 11), granting it up to a 20% stake. Additionally, Neinor Homes, S.A. assumed 20% of the debt held by several funds advised by Avenue Europe International Management, L.P. towards Waterton Invest, S.L., amounting to €2.078 million. The management agreement for the urbanization and subsequent development of the real estate project, initially signed in 2021 between Waterton Invest, S.L. and Neinor Homes, S.A., was amended. As is customary in shareholders' agreements, the conditions for exit of partners, alongside their roles as lenders, are regulated, including tag-along rights, preemptive rights for the selling shareholder, and the shareholder who bears the management costs, among other aspects.

      On September 20, 2024, the sole shareholder of Promociones Hábitat, S.A., indirectly Bain Capital, reached an agreement with Neinor Homes, S.A. to acquire 10% of the mentioned company for €31.6 million (Note 11). The parties also signed a shareholders' agreement and a commercial management agreement for the real estate assets of the jointly held company. Additionally, a service agreement for administration was signed, resulting in the transfer of most of the personnel from Promociones Hábitat, S.A. to Neinor Homes, S.A. on October 1, 2024. In this regard, Bain Capital's goal for this investment is to work on an accelerated liquidation plan for its assets with product deliveries underway and land sales within a 5-year horizon. To achieve this, an agreement for the management of real estate assets was signed, alongside the acquisition of the stake, which includes Bain Capital assuming all transitional costs.

    - On December 18, 2024, the Group acquired 27% of the shares of Harmony Holding Iberia, S.L. for €142,000 (Note 11), with the remaining shares belonging to the company Ameris España BTS I, S.L. A shareholders' agreement and an asset management agreement were signed on the same date with Neinor Homes, S.A., as an industrial partner, who will oversee the design, licensing, marketing, and construction of a residential development.

- Additionally, on July 10, 2024, the Group reached an agreement with Octopus Real Estate through the Octopus Rental Retirement Living Strategy for the development of a portfolio of "senior living" type housing to be carried out via a co-investment vehicle. An investment between €100 million and €200 million is expected from both parties. However, the vehicle was not formalized by the end of 2024, although a shareholder agreement similar to those described in previous sections was signed.

During the year 2023, the following changes occurred in the consolidation perimeter of the Neinor Homes Group:

- On June 20, 2023, the Group reached an agreement with Melca Investments 2023, S.L. for the sale of Sky Rental Homes Propco, S.L.U. and Sky Coliving Homes Propco, S.L.U., both of which the Group owned 100%. These companies held two Investment property in Valencia. The sale became effective on September 26, 2023, when the suspensive condition outlined in the agreement was fulfilled, leading to the exit of both companies from the consolidation perimeter of the Group (Notes 9 and 14). The result of this transaction was not significant and was recorded under "Result of loss of control of interests" in the consolidated income statement.

- As part of the co-investment strategy:

    - On June 29, 2023, Neinor Homes, S.A. acquired 10% of JL Panoramic DV, S.L. (formerly Twintress, S.L.), with Callixto Holding Lux, S.À.R.L. acquiring the remaining 90%. Regardless of the number of shares acquired, the Group has decision-making power over financial and operational policies due to reserved matters that require its favorable vote. Additionally, there are some rights of the majority shareholder in the drag-along agreement, as well as tag-along rights and first offer rights for the Group. The ultimate goal of acquiring this stake is to carry out co-investment agreements totaling €100 million, where the Group will act as the managing partner of the development project, overseeing the design, licensing, marketing, and construction. In this regard, one of the Group's companies, Neinor Península, S.L.U., formalized a land purchase agreement with JL Panoramic DV, S.L. in December 2023 for a real estate development (Note 13).

    - On July 26, 2023, Neinor Homes, S.A. reached an investment agreement to acquire several plots of land for a total of 50 million euros, of which 40 million euros had been invested by the reporting date, from third parties in different cities across Spain, with the intention of developing a Build to Sell residential project through a special purpose vehicle, Pegasus Holdco, S.L., in collaboration with Orion V European 24, S.À.R.L., a company linked to one of the Group's shareholders (Notes 16.1, 24, and 25). In this regard, Neinor Homes, S.A. acquired 10% of the share capital of Pegasus Holdco, S.L. Although Neinor Homes, S.A. holds only a 10% stake, it has decision-making power over the economic and operational policies of the company, as there are reserved matters that require its approval. Additionally, the agreement includes a clause that prohibits the transfer of shares. In this context, Neinor Homes will lead the project management for design, licensing, marketing, and construction after signing a management agreement.

- On December 29, 2023, Neinor Sur S.A.U. signed a sale agreement with Figeral, S.L. for the sale of the company Espalmador 45, S.L. for a total of 12.05 million euros, of which 5.905 million euros remained to be collected as of the financial year ending December 31, 2023, and was fully collected in February 2024. As a result of this transaction, the Group recorded a profit of 4.698 million euros under the heading "Result from the loss of control of subsidiaries" in the consolidated income statement .

2.9 Comparative information

The information contained in this consolidated report relating to the year ended December 31, 2023 is presented, for comparison purposes, with the information for the year ended December 31, 2024.

2.10 Correction of errors

In the preparation of these consolidated financial statements, no errors have been detected that have led to the restatement of the amounts included in the consolidated financial statements for the year ended December 31, 2023.

3. Application of the parent Company profit/(loss)

The proposal for the application of the profit/(loss) made by the Directors of the Parent Company, pending approval by the General Shareholders' Meeting, is as follows:

	Thousands of Euros	
	31.12.24	31.12.23
Bases of application:		
Profit / (Loss)	**(19.708)**	**(9.231)**
Application:		
To Legal Reserve	-	-
To Voluntary Reserves	-	-
To Negative Results from Previous Years	(19.708)	(9.231)
	(19.708)	**(9.231)**

Dividends paid and/or distributions made by the Group in 2024 and upcoming distributions:

As indicated in Note 16.1, the parent company has been making contribution returns to its shareholders by reducing the nominal value of the shares, in execution of the resolutions previously adopted at the Shareholders' Meeting. At the end of the year, there were two refunds of contributions approved via capital reduction at the Extraordinary General Shareholders' Meeting held on December 18, 2024, pending execution by the Board of Directors.

4. Measurement bases

The accounting principles and policies and measurement bases applied in preparing the Neinor Homes Group's consolidated financial statements for the exercises ended 31 December 2024 and 31 December 2023 were as follows:

4.1 Business combinations, goodwill and badwill

The acquisition by the Parent Company of control over a subsidiary constitutes a business combination to which the acquisition method will apply. The cost of the combination is determined by aggregating the fair values at the acquisition date of the assets transferred, the liabilities incurred or assumed, and the equity instruments issued. Fees paid to legal advisors or other professionals involved in the combination, as well as internal costs incurred for these purposes, are directly charged to the income statement.

If the business combination is carried out in stages, such that, prior to the acquisition date (date of control transfer), there was a prior investment, the Goodwill or negative difference is obtained by the difference between:

- The cost of the business combination, plus the fair value at the acquisition date of any prior ownership interest of the acquiring company in the acquired company, and

- The value of the identifiable assets acquired minus the liabilities assumed, determined as described above.

Any gain or loss arising from the fair value measurement at the date control is obtained over the previous interest held in the acquired entity will be recognized in the income statement. If the investment in this investee has previously been measured at fair value, the valuation adjustments pending to be charged to profit or loss for the year will be transferred to the income statement. On the other hand, it is presumed that the cost of the business combination is the best benchmark for estimating fair value at the acquisition date of any prior interest.

If, at the end of the period in which the combination occurs, the necessary valuation processes to apply the acquisition method described above have not been completed, this accounting is considered provisional, and the provisional values can be adjusted in the period necessary to obtain the required information, which in no case shall exceed one year. The effects of adjustments made during this period will be accounted for retroactively, modifying the comparative information if necessary.

The cost of the combination will also include, where applicable, the fair value of any contingent consideration dependent on future events or the fulfillment of predetermined conditions. Changes in the fair value of contingent consideration that occur within the measurement period (which will not exceed one year from the acquisition date) may result from additional information obtained after the acquisition date about facts and circumstances that existed at that date, and will be adjusted retroactively through a decrease/increase in goodwill.

Subsequent changes in the fair value of contingent consideration are adjusted against income, unless the consideration has been classified as equity, in which case subsequent changes in its fair value are not recognized.

Goodwill or badwill from the business combination is determined by the difference between the fair values of the acquired assets and assumed liabilities recorded, and the cost of the combination, all referenced to the acquisition date. In the exceptional case where negative goodwill arises from the combination, it is recognized in the income statement as income.

Goodwill is not amortized but is, at least annually, reviewed for impairment indications. At the end of each fiscal year, the Group assesses whether there are any signs of impairment of its assets or cash-generating units to which goodwill has been allocated. If there are such signs, the Group performs an impairment test to determine if the recoverable value of those assets is less than their book value. If an impairment loss is required for a cash-generating unit to which all or part of the goodwill has been allocated, the goodwill assigned to that unit is first reduced. If the impairment exceeds the amount of goodwill, the remaining assets of the cash-generating unit are then reduced, proportionate to their carrying value, to the higher of the following: their fair value less costs to sell, their value in use, or zero. Any impairment losses recognized in goodwill are not reversed in subsequent periods.

Future costs that neither the acquirer nor the acquired entity are obligated to incur to execute their plans for ceasing an acquired entity's activity or terminating or relocating its employees do not constitute liabilities at the acquisition date (Note 29).

In the case of acquiring a company in which the Group has significant influence, the same process described above is applied to determine the implied goodwill and first-time consolidation differences (Note 11).

The Group recognizes indemnification assets from buyer-seller agreements in business combinations at the same time the related item is recognized. These are valued at their fair value according to the contractual stipulations regarding their amount, aiming to achieve correlation between the recognized asset and the indemnified item. The indemnification asset is derecognized when it is collected.

4.2 Intangible assets and property, plant and equipment

Intangible assets

They are identifiable non-monetary assets, although without physical appearance, which arise as a result of a legal transaction or have been developed by consolidated entities. Only those whose cost can be reasonably objectively estimated and from which the consolidated entities consider likely to obtain economic benefits in the future are recognized.

Intangible assets are initially recognized at their acquisition or production cost and are subsequently measured at their cost less their corresponding accumulated depreciation and impairment losses, as applicable.

The annual provisions for the depreciation of intangible assets are made with a counterpart entry in the consolidated income statement based on the years of the estimated useful life, which for intangible assets amounts to 4/5 years.

Property, plant and equipment

Property, plant and equipment assets are initially recognized at their acquisition/contribution or production cost and are subsequently measured at cost less their corresponding accumulated depreciation and impairment losses, as appropriate.

Costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency, or an extension of the useful life of the assets, are capitalized as the higher cost of the corresponding assets.

Maintenance and repair expenses that do not represent an extension of useful life are charged to the income statement for the year in which they are incurred.

Interest and other financial charges incurred during the construction period of property, plant and equipment are considered to be the higher cost of fixed assets in progress (see section 15 of this Note).

Depreciation is calculated by applying the straight-line method to the acquisition cost of the assets minus their residual value, it being understood that the land on which buildings and other constructions are located has an indefinite life and is therefore not subject to depreciation.

The annual provisions for the depreciation of tangible assets are made with a counterpart entry in the consolidated income statement based on the years of the estimated useful life, on average, of the different elements that comprise it, as indicated below:

	Annual Percentage
Straight-line depreciation system:	
Technical installations	10%
Furniture	25%
Information processing equipment	25%
Other property, plant and equipment	10%

Assets under construction intended for production, for administrative or commercial purposes, are recorded at their cost price, deducting the losses due to impairment recognized. The cost includes professional fees. The depreciation of these assets begins when the assets are ready for the use for which they were intended.

Assets, other than Investment property, held under financial leases are depreciated over their expected useful lives using the same method as for owned assets or, where leases are short, for the term of the relevant lease.

At each financial closing, consolidated companies analyse whether there are indications, both internal and external, that the net value of the items of their tangible assets exceeds their corresponding recoverable amount, in which case they reduce the carrying amount of the asset in question to its recoverable amount, and adjust future depreciation charges in proportion to its adjusted carrying amount and its new life remaining useful, in the event that a reestimation of the same is necessary.

Similarly, where there are indications that the value of a tangible asset has been recovered, consolidated entities record the reversal of the impairment loss recorded in prior periods and adjust future charges for depreciation accordingly. In no case may the reversal of the impairment loss on an asset increase in it carrying amount above that which it would have had if impairment losses had not been recognized in previous years.

4.3 Investment property

Investment property in the consolidated balance sheet includes the values of land, buildings and other constructions that are held either to be exploited on a rental basis or to obtain a capital gain on their sale as a result of future increases in their respective market prices.

Investment property are initially valued at cost, including related transaction costs and financing costs, if applicable. After initial recognition, Investment property are valued at fair value.

A change in the intent to use an asset does not provide sufficient evidence for its classification as a real estate investment. Thus, a transfer between inventories and Investment property takes place when there is a change in the use of an asset evidenced by the beginning of a lease agreement on it or the existence of an approved marketing plan after its parking in an EDAV, in which case the transfer of inventories to Investment property would take place. If a new real estate development begins on the before mentioned real estate asset for its subsequent sale, the transfer of Investment property to inventories would be carried out. In the case of a transfer of an item from inventories to Investment property to account for it at fair value, any difference between it and its previous carrying amount shall be recognized in profit or loss. When the Group decides to sell an asset classified as a real estate investment without subsequent real estate development, it remains classified as a real estate investment until it is disposed of, unless it can be considered to meet the requirements of IFRS 5 for reclassification under the heading "Non-current assets held for sale" in the consolidated balance sheet. On the other hand, if a new real estate development were decided for its subsequent exploitation via leasing, the asset would thus remain classified as a real estate investment during the before mentioned development.

The costs of conservation and maintenance of the different elements that make up this heading are charged to the profit and loss account for the year in which they are incurred. On the other hand, the amounts invested in improvements that contribute to increasing the capacity or efficiency or extending the useful life of these assets are recorded as their higher cost.

The fair value of Investment property is determined by taking as reference values the valuations carried out by independent third-party experts not related to the Group (CBRE Valuation Advisory, S.A. and Savills Aguirre Newman Valuaciones y Tasaciones, S.A.U.) or based on market conditions, so that, at the end of each period, the market value reflects the market conditions of the real estate investment items at that date. In determining the market value, the valuations of the independent experts have considered the provisions of the Valuation and Appraisal Standards published by the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2020 (the RICS Red Book), in accordance with the International Valuation Standards published by the International Committee on Valuation Standards (IVSC).

The methodology used to determine the market value of the Group's Investment property is mainly the Discounted Cash Flow (hereinafter referred to as "DCF"). Unless the specific characteristics of an investment suggest otherwise, the DCF technique is applied over a 10-year horizon, in accordance with standard market practice. The cash flow is developed throughout the study period, to reflect the increases in the CPI and the calendar of rent updates, lease expirations, etc. In this sense, the DCF technique described above has been applied, considering, subsequently, the liquidation of the assets as the respective lease contracts ended.

The final profitability or final capitalization ratio adopted in each case refers not only to the expected market conditions at the end of each cash flow period, but also to the rental conditions that are expected to be maintained and to the physical situation of the property, taking into account the possible improvements expected in the property and incorporated in the analysis. As regards discount rates, standard market rates are used.

The properties have been valued individually, considering each of the lease contracts in force at the end of the period. For buildings with non-rented surfaces, these have been valued based on estimated future rents, discounting a marketing period.

Changes in fair value are recognized in the consolidated income statement. When the Group sells a property, the value of the real estate investment before the transaction is adjusted to the transaction price, net of trading costs and/or transaction costs, and the resulting adjustment is recorded in the consolidated income statement.

4.4 Right-of-use assets and lease liabilities

The Group evaluates leases and recognizes a right-of-use asset and a corresponding lease liability in respect of all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and low-value leases.

Right-of-use assets are initially recognized at their cost calculated as payments for leases to be realized plus the initial direct costs and decommissioning/rehabilitation costs to be considered. Subsequently, the right of use is valued at its cost less its corresponding accumulated depreciation and the impairment losses they have experienced, as appropriate.

Depreciation is calculated by applying the straight-line method to the cost of the asset per right of use. The annual provisions for the depreciation of the right of use are made with a counterpart entry in the consolidated income statement based on the years of the estimated useful life, as indicated below:

	Annual Percentage
Straight-line depreciation system:	
Right of use	20%

Regarding the recognition of lease liabilities, initially, it is recorded as the discounted value of payments for leases pending payment to date. These payments are discounted using an interest rate implied in the lease. Subsequently, the financial liability is updated by increasing its carrying amount based on the financial expense recognized against the heading "Financial expenses" in the consolidated income statement, and reducing the amount based on payments for leases made.

4.5 Impairment of property, plant and equipment, investment property and intangible assets

At the year-end date, Neinor Homes Group reviews the carrying amounts of its tangible and intangible assets and Investment property to determine whether there are indications that these assets have suffered an impairment loss. If there is any indication, the recoverable amount of the asset is calculated for the purpose of determining the extent of the impairment loss (if any). In the event that the asset does not generate cash flows that are independent of other assets, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (cash-generating unit) in previous periods.

For leased real estate assets, the Group uses a mixed approach. As they are linked to an economic operation, the most appropriate methodology is considered to be the discounting of cash flows considering the income and expenses of the activity of the asset itself determined by its lease situation, determining at the time of expiration of the contract or considering the periods in any case of mandatory compliance, an exit value, determined by the capitalization in perpetuity of the income of the last year analyzed or a market income, once the characteristics and contractual conditions of the assets have been analyzed, considering the constant income. On the other hand, the yield used as a discount rate will be determined by the yield required by the market at the time of valuation, taking into account the specificities of the assets. The assessment is carried out by independent experts.

4.6 Leases

When consolidated entities act as lessors, they present the fair value of the leased asset under "Investment property" (Note 4.3). Lease income is recognized in the income statements on a straight-line basis.

When consolidated entities act as the lessee, the Group applies the criteria described in the Note 4.4.

4.7 Inventories

This heading of the consolidated balance sheet includes the assets that the consolidated entities:

1. They are held for sale in the ordinary course of their business.

2. They are in the process of production, construction or development for this purpose.

3. They plan to consume them in the production process or in the provision of services.

The Group considers that its inventories do not meet the requirements of IAS 40 for consideration as investment property. Consequently, land and other property held for sale or for inclusion in a property development are treated as inventories.

Land and sites are measured at the lower of acquisition cost, plus site development costs, if any, purchase transaction costs (transfer tax, registration expenses, etc.) and finance costs incurred over the period the urban development work is being carried out (Note 4.15), or estimated market value.

Works in progress are considered to be the costs incurred in real estate developments, or part thereof, whose construction has not been completed by the end of the financial year. These costs include those corresponding to the plot, urbanization and construction, the activation of financial expenses incurred during the construction period, as well as other direct and indirect costs attributable to them. Business expenses are charged to the consolidated profit and loss account for the period in which they are accrued. The activated amount of financial expenses, which considers existing interest rate hedging operations in relation to the promoter loans, in 2024 amounted to €7,017 thousand and is recognized in the consolidated income statement, increasing the financial result, corresponding to in full to expenses associated with ongoing developments (€11,653 thousand in FY2023) (Notes 4.15 and 13).

The Group companies transfer the accumulated costs of completed developments, or a portion thereof, from "Construction work in progress" to "Completed properties".

The stocks incorporated into Neinor Homes Group by virtue of the contributions made at the time of their incorporation were initially recorded at the value assigned to them in the corresponding contribution deeds, which coincided with the net book value for which these stocks were recorded in the accounting records of the contributing companies. according to the principle of acquisition cost or net realization value, the lower.

"Developments in short cycle progress" are considered to be the cumulative costs of those developments for which the expected date of completion of construction does not exceed 12 months.

The cost of the land and plots and the works in progress and completed is reduced to their fair value, allocating the corresponding depreciation provision, where appropriate. On the other hand, if the fair value is higher than the cost value, the value of the cost/contribution is maintained.

The fair value of the "Development" inventories is estimated either on the basis of valuations carried out by independent experts not related to the Group (CBRE Valuation Advisory, S.A. and Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U.) or on the basis of internal studies, which is currently of a residual nature. In any case, in these valuations, fair value is calculated mainly by the dynamic residual method for land and by discounting flows for in-progress and finished product, in accordance with the Valuation and Appraisal Standards published by the Royal Institute of Chartered Surveyors (RICS) of Great Britain, and in accordance with the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC).

For the calculation of this fair value, as mentioned above, the dynamic residual method was used to calculate fair value. This method consists of estimating the value of the final product based on the comparison or discounted cash flow method, and subtracting from this value the development costs, including the residential development and construction costs, fees, levies, etc., and the profit of the developer for estimating the residual value. Income and costs are distributed over time in line with the periods of development and sales estimated by the expert. The discount rate used is that which represents the average annual return on the project, without taking into account external financing, which would be obtained by an average developer in a development of the characteristics of that analyzed. This discount rate is calculated by adding the risk premium determined by evaluating the risk of the development (taking into account the type of property asset to be constructed, its location, liquidity, the construction period and the investment volume required) to the risk-free interest rate.

The existence of revisions to urban plans could lead to delays in the development of certain land for which the Group has considered a conservative time horizon in its valuations.

Given the uncertain nature of any information based on future expectations, differences could arise between the projected results considered for the purposes of making the before mentioned estimates of recoverable values of inventories and those actually recovered, which could lead to changes in those estimates (up or down) in the coming years, which, as described in Note 2.5, would be carried out, where appropriate, prospectively.

As of December 31, 2024, as in 2023, all of its assets classified as "Development" have been subject to valuation by an independent expert, this value having been taken as a reference when assessing the existence of accounting impairments to be recorded, without its effect being significant on the whole. In addition, the "Legacy" assets, mainly finished products, have been the subject of an internal study to determine their recoverable value.

In this respect, the most significant aspects considered in the appraisals in the 2024 and 2023 were as follows:

Assets Development

The appraisals have been carried out through an individualized analysis of each of the assets, considering the building qualities foreseen in them, which in turn determine the contracting costs and the ranges of sales prices associated with them. Likewise, the average periods foreseen in the achievement of the different figures of planning, management and urban discipline have been considered individually by asset, as well as the average construction periods of each development depending on the type and density of buildings.

Finally, the discount rate associated with each project has been calculated according to the urban situation in which the developments are at that time, carrying out a sensitivity analysis with respect to it. The discount rates applied vary depending on the stage of development of the asset (from highest to lowest rate insofar as it is land without starting its development, under construction with pre-sales or finished), ranging in ranges between 6% (for product in progress with pre-sales) and 20% (for some urban land) (between 6% and 18% in the 2023 financial year).

Once an initial estimate of the values of the assets has been made, a review of the valuation models is carried out, verifying the reasonableness of ratios such as the percentage of land over finished product, the profit on the cost of construction or the profit obtained based on sales.

Other parameters are also set in each of the appraisals, the main ones being as follows:

- Advance sales before the start of the construction of the developments were not taken into consideration.

- It was estimated that 70% - 75% of the sales (pre-sales off plan, in a private sale and purchase agreement) will be carried out during the construction of the developments and the remaining sales within nine months following completion thereof.

- Increases in sale prices over the existing market prices were not taken into consideration.

- It is estimated that 33/36 months could elapse between the time necessary for the drafting of the project and the obtainment of the construction permit, construction and delivery of the project, and the end of the marketing and sale of the units.

In relation to the assets built by the Group which finally are classified as Rental (Note 6), are valued in accordance with the criteria established for investment property in Note 4.3.

4.8 Trade receivables

Trade receivables accounts do not bear interest and are recorded at their nominal value reduced, where appropriate, by the corresponding provisions for the estimated sunk amounts.

Likewise, the Neinor Homes Group has registered accounts receivable as a result of sales of unique assets that are subject to earn-out clauses, i.e. variable prices that depend on the fulfilment of a series of milestones such as obtaining minimum occupancy levels, as well as a minimum amount of gross rents in certain periods. The amount of these accounts receivable is accounted for an initial time at fair value, so it is estimated based on the best information available at the date of preparation of these consolidated financial statements. After that date, that asset shall also be measured at fair value by recording any gain or loss in the consolidated income statement. In this scenario, in the event that the fair value could not be reliably estimated, the recording of the income derived from the contingent tranche of the consideration will only be recognized at the time when it is possible to carry out the measurement reliably.

4.9 Customer advances

The number of payments on account of customers, received before the recognition of the sale of the properties in accordance with the criteria indicated in Note 4.14, is recognized in the "Customer advances" account under the heading "Other current liabilities" of the liabilities of the consolidated balance sheet at the end of the year.

4.10 Financial instruments

Financial assets and liabilities are recognized in the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

For the years ended December 31, 2024 and 2023, the Group has applied the following valuation standards to its financial instruments:

Financial assets

The financial assets held by the group are classified into the following categories:

a. Financial assets at amortized cost: includes financial assets, including those admitted to trading on an organized market, for which the Group holds the investment for the purpose of receiving the cash flows arising from the performance of the contract, and the contractual terms of the asset give rise, on specified dates, to cash flows that are only principal and interest receipts on the outstanding principal amount.

In general, the following are included in this category:

i. Trade receivables: arising from the sale of goods or the rendering of services with deferred payment in the ordinary course of business; and

ii. Non-trade receivables: arising from loans granted by the Company and other receivables with fixed or determinable payments.

b. Financial assets at fair value through equity: this category includes financial assets whose contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding, are not held for trading and cannot be classified in the preceding category.

c. Financial assets at cost: this category includes the following investments: a) equity instruments whose fair value cannot be reliably determined, and derivatives whose underlying consists of these investments; b) hybrid financial assets whose fair value cannot be reliably determined, unless they meet the requirements for being measured at amortised cost; c) contributions made in silent participation and similar agreements; d) participating loans earning contingent interest; and e) financial assets that should be classified in the following category but whose fair value cannot be reliably estimated.

d. financial assets at fair value through profit or loss: these include financial assets held for trading and financial assets not classified in the before mentioned categories. This category also includes the financial assets optionally designated as such by the Group on initial recognition which would otherwise have been included in another category, because such designation eliminates or significantly reduces a measurement inconsistency or an accounting mismatch that would otherwise arise.

Initial recognition

In general terms, financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs. However, transaction costs directly attributable to financial assets classified as at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial assets at amortised cost are accounted for using this measurement rule, and the related accrued interest is recognised in profit or loss using the effective interest method. Financial assets at fair value through equity are recognised at fair value, without deducting the transaction costs which might be incurred on their disposal. Gains and losses arising from changes in fair value are recognised directly in equity until the financial asset is derecognised or it is determined that it has become impaired, at which time the amount recognised in equity is taken to profit or loss.

Financial assets classified as at fair value through profit or loss are measured at fair value and the gains and losses arising from changes in fair value are recognised in the net profit or loss for the year.

Investments classified in category c) above are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount of investments in equity instruments, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement, net of the related tax effect.

The Group measures its assets at amortised cost, as the objective of the business model is to hold them in order to collect the contractual cash flows. Applying IFRS 9, the Group has chosen to apply the simplified expected loss model to trade receivables and leases, as well as commercial contract assets, whereby for these assets the expected loss is calculated over the entire life of the asset.

To this end, the Group has established a procedure whereby receivables are not only impaired when they are no longer recoverable (incurred losses) but also considers potential expected losses based on the development of customer, industry and country-specific credit risk. This model applies to all financial assets including trade and contract assets under IFRS 15 and non-trade assets.

To calculate them, the Group has developed a methodology whereby percentages are applied to the balances of financial assets that reflect the expected credit losses based on the credit profile of the counterparty (the customer, in the case of customers and other accounts receivable, the financial institution in the case of financial assets, etc.).). These percentages reflect the probability of a default on payment obligations and the percentage of loss, which, once the default has occurred, is ultimately uncollectible. The assignment of the rating and the evolution of these percentages is supervised by the financial department, which annually, for each year-end, updates according to credit risks.

In this regard, in accordance with the 12-month expected loss impairment model, the Group has estimated that financial assets measured at amortized cost are subject to impairment loss based on the existing facts and circumstances as indicated below (in thousands of euros):

Concept	Gross Amount at 31/12/2024	12 month estimated loss (%) (*)	12 month estimated loss at 31/12/2024	Net amount as at 31/12/2024
Current and non-current financial assets (Note 12)	38.507	0,14% - 3%	(824)	37.683
Trade receivables from one-off transactions (Note 14)	41.574	3%	(1.372)	40.202
Advances to suppliers, creditors and others from construction activities (Note 14)	19.377	3%	(583)	18.794
Other accounts receivable (Note 14)	28.857	0% - 3%	(358)	19.179
Cash and cash equivalents	368.724	0.08%	(294)	368.430
TOTAL	**497.039**		**(3.431)**	**484.288**

(*) The estimate has been made taking into consideration the credit rating of the counterparties, issued by agencies of recognized prestige or, if not available, that of the geographical area and/or sector in which it operates. In the estimation of the expected loss for the advances delivered to suppliers and creditors, it has been decided to include a provision of 3% on the total amount of the advances delivered, as it does not have such a public classification Individualized although some are guaranteed (Note 14).

An allocation (reversal) of €6 thousand has been recognized under the heading "Change in traffic provisions" in the consolidated income statement for 2024 (Note 23.5). The expected loss thus calculated in the amount of €3,431 thousand is recognized under each heading described above in the consolidated balance sheet.

Financial assets are derecognized from the consolidated balance sheet by the various companies of the Group when the contractual rights over the cash flows of the financial asset expire or when the risks and rewards inherent in the ownership of the financial asset are substantially transferred.

At least at the end of the year, the group performs an "impairment test" for financial assets that are not recognized at fair value with changes in the income statement. Objective evidence of impairment is considered to exist if the recoverable amount of the financial asset is less than its carrying amount.

Financial liabilities and equity

The financial liabilities assumed or incurred by the Group are classified in the following measurement categories:

a. Financial liabilities at amortized cost: the Group's loans and payables that have arisen from the purchase of goods or services in the normal course of the Group's business and also those which, not having commercial substance or being derivative financial instruments, arise from loans received by the Group or other payables.

These liabilities are initially recognized at the fair value of the consideration received, adjusted by the directly attributable transaction costs. They are subsequently measured at amortized cost.

The main financial liabilities held by the Group companies are financial liabilities at amortized cost.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recognized in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Group during the year are recognized at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognized directly in equity and in no case are they recognized in profit or loss.

Share capital reduction operations are registered in the year in which they are agreed, provided that the public deed in which they are reflected is registered in the Mercantile Registry before the annual accounts for that year are formulated. The associated expenditure is recorded against reserves of the society in which the reduction occurs.

Bank loans and other non-bank financing

Interest-bearing bank loans and overdrafts are recognized at the amount received, net of direct issue costs. Finance costs, including premiums payable on settlement or reimbursement and direct issue costs, are recognized in the consolidated income statement on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Issuance expenses that are directly attributable and that are incremental to it are included in the initial measurement of the financial instrument and deducted from the nominal amount of the same considered in the determination of the amortized cost.

Hedges

The Group uses derivative financial instruments to hedge the risks to which its activities, operations and future cash flows are exposed. Fundamentally, these risks are from variations in interest rates. Within the framework of these operations, the group contracted two hedging financial instruments, which Were object of modification during the exercise 2023 to accommodate a third derivative (Notes 12 and 28).

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such, and the hedging relationship is documented. Also, the Group verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e., that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be offset by changes in the hedging instrument.

The Group uses hedges of the following type, which are accounted for as described below:

- Cash flow hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the consolidated statement of profit or loss in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer meets the criteria for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument that has been recognised in equity remains in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss. As a result of the contracting of the fixed-rate bond in 2024 (Notes 18 and 19), there has been a partial interruption of hedging.

Gains or losses arising from an effective hedging instrument are taken into account in determining capitalized financing costs on qualifying inventories so that the capitalized interest expense corresponds to the interest rate effectively hedged.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

In relation to non-recourse reverse factoring transactions, they (also called "reverse factoring") are analyzed according to the economic substance of the agreements between the parties, in order to conclude whether the commercial debt should be classified as financial debt within the balance sheet and if the flows should be classified as financial or operating in the statement of cash flows. To the extent that there are no substantial changes in the terms of the commercial debt (e.g. changes in maturity, amount or interest rates, as the case may be), the fact that, following the reverse factoring transaction, the new legal creditor becomes a financial institution instead of the original commercial creditor does not change the economic substance of the debt, which originates from the Group's operating activities. The Group has adopted this classification policy (Note 18).

4.11 Shares of the Parent

All the shares of the Parent held by consolidated companies are deducted from equity.

As of December 31, 2024, the Parent held 380,854 treasury shares (as of December 31, 2023 it held 473,900 treasury shares) and none of the subsidiaries or associates owned additional treasury shares (Note 16.4).

4.12 Provisions

The Group's consolidated financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognized in the consolidated annual financial statements, but are disclosed, as required by IAS 37.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to meet the specific obligations for which they were originally recognized. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

At the end of the exercises ended 31 December 2024 and 2023 certain litigation and claims were in process against the consolidated companies arising from the ordinary course of their operations. The Group’s legal and tax advisers and directors consider that the provisions recorded are sufficient and that the outcome of these proceedings and claims will not have any additional material effect on the financial statements for the years in which they are settled (Notes 17 and 21).

Provisions for warranties

Provisions for warranty costs, particularly after-sales expenses, other costs and the ten-year guarantee required under Spanish regulations governing real estate companies, are recognized at the date of sale of the relevant products, in line with the best estimate of the expenditure required to settle the Group's potential liability, according to market experience.

4.13 Income tax

Since July 1, 2015, the Parent filed consolidated income tax returns under Income Tax Provincial Regulation 11/2013, of 5 December, and formed part of tax group no. 02115BSC headed by Neinor Holdings, S.L.U. (see

Note 21). The Group companies Neinor Península, S.L.U. and Neinor Sur S.A.U. filed their tax returns separately, since they did not belong to the before mentioned consolidated tax group. The Group was parented by Neinor Holdings, S.L.U.

Due to Neinor Homes, S.A. admission to listing and Neinor Holdings, S.L.U's loss of participation there has been a breakdown of the Tax Group. On November 3, 2017, the new Fiscal Group (number 02117BSC) headed by Neinor Homes, S.A. was approved. The Tax Group pays income on a tax consolidation basis with effect from 1 January 2017 in accordance with Article 99 of Bizkaia Corporation Tax Regulation 11/2013, of 5 December. It must be taken into account that the tax credits that in the previous Tax Group were considered tax credits generated within the Group, maintain this nature in the new Tax Group. Therefore, the tax consolidation group 02117BSC is formed in 2024 and 2023 by Neinor Homes, S.A. as the head company and Neinor Norte, S.L.U. as the subsidiary.

On the other hand, the tax consolidation group with number 5/20, with Neinor Península, S.L.U. as the parent company, is made up of the rest of the companies that make up the Neinor Homes Group with the exception of Quabit Comunidades, S.L., Parque Las Cañas, S.L.U. and Quabit Bonaire, S.L. In the 2023 financial year, Rental Homes Propco, S.L.U., Rental Homes Holdco, S.L.U. and Espalmador 45, S.L. joined the Europa Tax Group. On February 23, 2022, 62 companies comprising the Group merged by absorption with Neinor Península, S.L.U. (Note 2.8) and, consequently, the appropriate notifications were made, with many of the absorbed companies being covered by the FEAC regime. Likewise, on 19 April 2022, the following Group Companies joined the tax group: Neinor Sardes Rental, S.L.U., Global Izara, S.L.U. and Meltonever Project, S.L.U. after making the appropriate communications to the tax administration.

Therefore, the Group has two tax consolidation groups in the field of Corporate Income Tax. A regional tax consolidation group (Basque Country) headed by Neinor Homes, S.A. and another state-owned group with Neinor Península, S.L.U. as its head.

The consolidated income tax expense for the year is recognized in the consolidated income statement, except when it is the result of a transaction whose results are recognized directly in equity, in which case income tax is also recognized in equity.

The consolidated income tax expense for the year is calculated based on taxable profit for the year. The taxable profit differs from the net profit reported in the income statement because it excludes revenue and expense items which are taxable or deductible in different years and also excludes items that will never be taxable or deductible. The Group's current tax liability is calculated based on tax rates that have been approved or substantially approved at the date of the consolidated balance sheet.

The Group companies file consolidated income tax returns and in this process they apply the following rules: temporary differences arising in the calculation of the consolidated tax base arising from the transactions between companies composing the tax group, provided that such results have not been realized vis-à-vis third parties, are recognized by the company that had recognized the result; permanent differences (e.g. due to the elimination of dividends paid among companies in the tax group) or temporary differences arising in the calculation of the consolidated tax base are recognized as a permanent or temporary difference by the company that had recognized the result, and any tax losses and tax credits and rebates offset or used by the companies composing the tax group are recognized as an account receivable or payable between the reporting company and the companies that offset and/or use them.

Deferred tax assets and liabilities are the amounts expected to be recoverable or payable calculated on differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used in calculating the taxable profit. They are recognized using the consolidated balance sheet liability method and are quantified by applying to the related temporary difference or tax asset the tax rates at which it is expected that the asset will be realized, or the liability settled.

A deferred tax asset or liability is recognized for temporary differences arising from investments in subsidiaries and associates and from interests in joint ventures, except when the Group is able to control the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future.

However, the foregoing:

1. Deferred tax assets are only recognized if it is considered probable that the consolidated companies will have sufficient future taxable profits against which the deferred tax asset can be utilized, considering, in any case, market expectations and in a restricted way, so the Deferred tax assets are recognized only once there is a consolidated improvement of the Real Estate sector and attending to actual expectations of land assets without considering new business according to a conservative criteria.

2. No deferred tax liabilities are recognized for goodwill arising on an acquisition.

On the occasion of each accounting closing, the deferred taxes recorded (both assets and liabilities) are reviewed in order to verify that they remain in force, making the appropriate corrections to them in accordance with the results of the analyses carried out, and considering, where appropriate, the quantitative and temporal limits, if any, for their application, together with the strategy and business plans approved by the Group and in companies in which there is joint control and/or significant influence.

4.14 Revenue and expenses

Revenue and expenses are recorded when the actual flow of goods or services that they represent occurs, regardless of the time at which the monetary or financial flow derived from them occurs.

Ordinary income from the sale of goods and the provision of services is measured at the monetary amount received or, where applicable, at the fair value of the consideration received, or expected to be received, and which, unless there is evidence to the contrary, will be the agreed price less any discounts, VAT and other sales taxes.

Regarding the sale of real estate developments, the Group companies follow the criterion of recognising sales and the cost of sales when the real estate and properties have been handed over and the ownership and control of these have been transferred. For these purposes, it is understood that the sale of a finished residential product takes place when the keys are handed over, which coincides with the drawing up of the public deed and the final collection of the price.

The Group follows recognize the sale of land and singular assets when the risks and benefits thereof are transferred, which usually results in the date on which the sale is deeded, provided that the transaction is considered to have commercial substance, the price and obligations are defined in an agreement with the client and there are no doubts about the collectability of the outstanding amounts or where appropriate, there are guarantees other than the asset itself. It is understood that the operation has commercial substance when a substantial part of the price has been charged, or there are guarantees for the outstanding amounts or penalty clauses so that the capital gain is guaranteed with the compensation contractually established and this has been paid, among other aspects. Otherwise, the sale is not considered to be completed for the purposes of its accounting record. If the sale made has been subject to the fulfillment of a genuine suspensive condition, the sale is not recognized until such fulfillment takes place. The criteria used for the registration of transfers of assets in Investment property also coincide with the previous ones. In accordance with standard industry practice, some real estate sales contracts may include guaranteed income clauses and/or contingent price that are considered to be earn-outs and are accounted for in accordance with the requirements set out in IFRS 15, with the corresponding assets and liabilities associated with expected payments according to the fair value of the same, recognizing any change in the estimate in the consolidated income statement for the period.

The Group can make purchases of land subject to conditions resolutory and suspensive. If there are suspensive conditions, the contract comes into force when the condition is fulfilled and, in turn, the contract becomes effective. The amounts paid in the context of contracts subject to suspensive conditions are recognized as "Advances to Suppliers" and as such are subject to the measurement standard applicable to trade receivables. If there are resolutory conditions, the fulfilment of the condition marks the extinction of the effects of the contract and, therefore, the Group assesses the probability associated with the condition and the party on which the fulfilment of the condition depends, for the purposes of recognizing the rights and obligations associated with the contract over time.

The cost allocated to the units up for sale of a property development is determined by allocating to each unit being sold the portion of the total costs of the development that results from applying to them the same proportion that their selling price represents in relation to the estimated value of the development taken as a whole.

The amounts received from customers on account of future sales of land and/or buildings, both in cash and commercial bills, to the extent that the recognition of the sale does not occur in the terms described above, are recognized as advances received under "Customer Advances" under current liabilities in the consolidated balance sheet.

On the other hand, collateral related to the sales of real estate development units cannot be purchased separately and is required by law. Consequently, the Group continues to account for guarantees and insurance in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. Complementary guarantees are not granted to the legal ones that, according to IFRS 15, are considered a service guarantee and therefore must be accounted for as a separate performance obligation from which the Group must allocate part of the sale price of the asset that have a residual nature.

Sales warranties cannot be purchased separately and are required by law. Consequently, the Company continues to recognize warranties and insurance contracts in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. No supplementary warranties are provided in addition to those required by law which, under IFRS 15, are considered to be service warranties and should, therefore, be recognized as a stand-alone performance obligation to which the Group must allocate a portion of the asset’s selling price. The incremental costs of obtaining a sales contract, basically the sales commissions of the property development’s agents, hare recognized as a collection right until each unit being sold is executed in a deed (the moment in which the entire expense is recognized as the cost of sales), as they are reimbursable if the sales embodied in private sale and purchase agreements are not fulfilled. Other necessary or incremental contract costs might exist when entering into the private sale and purchase agreements (such as the costs associated with the guarantees provided to secure advances received from customers) which it is not practical to capitalize, but which could be revalued based on changes in borrowing costs in the future, if it were considered that they contribute to improved matching between income and expenses. The uncapitalized expenses associated with costs of this type amounted to EUR 1,177 thousand in 2024 (EUR 1.080 thousand in 2023) recorded under the caption “Operating Expenses" in the accompanying consolidated income statement.

Revenues recognized over time, as they correspond to construction goods or services whose control is not transferred at a point in time, are valued by considering the degree of performance of the service at the balance sheet date, provided that reliable information is available to measure the degree of performance. Otherwise, revenue shall only be recognized in an amount equivalent to the costs incurred which are expected to be reasonably recovered in the future. Similarly, the group has entered into various asset management or delegated development contracts with third parties or with companies in which it participates under a co-investment regime. In this case, the contracts establish the accruals of the income based on objective data, lacking an estimated component.

Rental income and its management for third parties are recorded because of their accrual, with the benefits in terms of incentives and the initial costs of lease contracts being distributed linearly.

Interest income is accrued on a temporary basis, based on the outstanding principal and the applicable effective interest rate, which is the rate that exactly discounts the futures received in cash estimated over the expected life of the financial asset from the net carrying amount of that asset.

Dividend income from investments is recognized when the rights of partners or shareholders to receive payment have been established.

On the other hand, the capital reduction expenses are recorded against the Parent Company's reserves.

The disaggregated disclosure of income from ordinary activities from contracts with customers required by IFRS 15 can be extracted from the segmented information disclosed in Note 6, as this information is sufficiently descriptive in terms of the nature, amount, timing and uncertainty that might affect the revenue and cash flows arising from the sale agreements.

On the other hand, in relation to the Group's main line of business (Note 6), consisting of "development sales", it is estimated that, in accordance with the commitments made with customers pending satisfaction as of December 31, 2024, considering that all of them come to a successful end, the revenue figure associated with them will be as follows for the next four years, in thousands of euros:

Concept	31/12/2024
Sales development (*)	568.335
Sales development – Associated companies (**)	72.220
Total	**640.555**

(*) Calculated on the basis of the advance collections of amounts for the dwellings for which a private purchase contract has been signed and which are pending delivery (Note 13) for an amount of €458,189 thousand, and those that are temporarily reserved pending the formalization of the private purchase contract, the total amount of which amounts to €110,146 thousand.

(**) This corresponds to the amount of pre-sales weighted according to the % of Neinor Homes, S.A.'s share of the associated companies.

4.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of property developments or property investments are added to the costs of these assets, only during periods when an effective development occurs (idle periods are excluded) and until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. The determination of the capitalizable amounts considers expenses or income associated with swaps considered to be effective hedges (Note 12).

During the year ended December 31, 2024, the Group capitalized financial interests in inventories amounting to €7,017 thousand (Notes 4.7 and 13). In the year ended December 31, 2023, the Group capitalized financial interests in inventories amounting to €11,653 thousand.

Other interest costs are recognized in the consolidated income statement for the period in which they are incurred.

4.16 Profit from operations

The profit from operations is presented before the share of results of associates (companies accounted for using the equity method) and before investment income and finance costs.

4.17 Termination benefits

Under current labor legislation, the Group companies are required to pay termination benefits to employees whose contracts are terminated under certain conditions.

Severance payments are paid to employees as a result of the Panel's decision to terminate their employment contract before the normal retirement age or when the employee agrees to voluntarily resign in exchange for such benefits. The Class recognizes these benefits on the earlier of (a) when the Class is no longer able to withdraw the offer of such awards; or (b) where the entity recognizes the costs of a restructuring within the scope of IAS 37, and this involves the payment of severance payments.

When an offer is made to encourage employee resignation, severance payments are valued based on the number of employees who are expected to accept the offer. Benefits that are not to be paid within twelve months of the balance sheet date are discounted at their present value. The Group records a year-end restructuring provision in its consolidated financial statements if it is satisfied that there is a detailed formal plan (which includes the identification of the companies, locations, functions/jobs affected and number of employees subject to the plan) as well as the valid expectation has been created in those affected that the plan will be carried out and implemented announcing its main characteristics. If these circumstances are met after the end of the financial year, the situation is broken down in the consolidated financial statements (Note 29).

In the consolidated financial statements for the year ended December 31, 2024, the Group has recorded an indemnity expense of €660 thousand (Note 23.2), with the amount of the provision recorded as of that date being €33 thousand (as of December 31, 2023, the Group had a recognized provision of €1,458 thousand for this item, with compensation expense amounting to €912 thousand).

4.18 Consolidated cash flow statements

In the consolidated statements of cash flows, prepared in accordance with the indirect method, the following expressions are used to the following effect:

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

2. Operating activities: the principal revenue-producing activities of the entities composing the consolidated Group and other activities that are not investing or financing activities.

3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents if they have a direct impact on current cash flows.

4. Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities if they have a direct impact on current cash flows.

There are no non-cash transactions related to significant operating, investing and/or financing transactions that, because they have not given rise to cash changes, have not been included in the statement of cash flows and must be reported separately, apart from the transactions related to the delivery of shares within the framework of the 3-year incentive plan maturing in December 2023, partially settled in 2024 (Note 4.21), to the dation in payment operation indicated in Note 14 by which the Group has been awarded certain land, and the return of contributions to the shares via capital reduction approved on December 18, 2024 and payable on January 24, 2025 (Notes 16.1, 19 and 29), as well as the subrogations of developer loans (Note 18.4).

4.19 Non-current assets held for sale

The Group classifies a non-current asset, or a disposal group as held for sale when it has made the decision to sell it, and it is estimated that it will take place within the next twelve months (Note 9).

These alienable assets or groups are valued at their book value or their fair value minus the costs necessary for the sale, whichever is lower.

Assets classified as non-current held for sale are not amortized, but on each balance sheet date the corresponding valuation adjustments are made so that the book value does not exceed fair value less costs to sell, except real estate assets measured at fair value by IAS 40.

The income and expenses generated by non-current assets and alienable groups of elements, held for sale, which do not meet the requirements to classify them as discontinued operations, are recognized in the corresponding item of the profit and loss account according to their nature.

4.20 Current and non-current classification

The Group has chosen to present current assets and liabilities in accordance with the normal course of the Company's operations. Thus, assets are classified as current assets if they are expected to be realized in a period of less than 12 months after the date of the Balance Sheet. The balances of customers and work executed pending certification or other financial assets linked to the operating cycle but for which their collection could exceed 12 months, are classified as current regardless of whether their period of execution is longer than one year, insofar as they are considered to be part of the Group's normal operating cycle. regardless of their maturity. Otherwise, they are classified as non-current assets. The same happens with liabilities linked to the activity or those whose cancellation is linked to current assets, which are classified as current liabilities. Current assets and liabilities with an estimated maturity of more than twelve months but classified as current are as follows:

The Group has chosen to present current assets and liabilities in accordance with the normal course of the Company's operations. Current assets and liabilities with an estimated maturity of more than twelve months are as follows:

	Thousands of Euros	
	31.12.24	31.12.23
Stocks (long cycle)	519.625	580.893
Trade receivables and other receivables	1.373	25.842
Total current assets	**520.998**	**606.735**
Debts to credit institutions (associated with long-cycle inventories) (Note 18)	137.194	210.369
Other current liabilities	26.966	17.795
Total current liabilities	**164.161**	**228.164**

According to IAS 1, the group classifies a liability as current when a) it expects it to be settled in its normal cycle of operations, b) it maintains it for the purpose of doing business with it, c) it has its maturity within the period of 12 months from the end of the year, d) it does not have the right at the end of the period to defer its payment for at least 12 months after closing. In the rest of the cases, the group classifies it as non-current. For financial or similar debt in which there are acceleration clauses or early maturity in the event of non-compliance with certain conditions or a change of control or credit rating, on the date of formulation the group assesses its compliance in order to determine the year-end rating as well as breaking down its assessment of compliance over the next 12 months.

4.21 Incentive Plans

In April 2020, the General Meeting of Shareholders of the Parent Company approved an incentive plan payable in shares, with a cost that was estimated to range from a maximum range of between 8 and 12 million euros, whose accrual was extended until December 31, 2022 and whose beneficiaries were directors who had executive functions and members of the management team of Neinor Homes, S.A. and its group of companies that have been expressly invited by the Board of Directors of the Parent Company, at the proposal of the Appointments and Remuneration Committee. The two metrics used to measure compliance with the plan were, at 50% each, EBITDA and Total Shareholder Return (RTA), defined as the evolution of the investment in shares of Neinor Homes, S.A., establishing minimum amounts below which the incentive was not accrued, as well as a possibility of bonus surplus of up to 150%. The shares acquired in this way are prohibited from being sold for a period of 1 year for directors who have executive functions, the incentive being subject to a reinstatement clause if certain circumstances occur, and it is also necessary to have permanence requirements to be entitled to the incentive. The number of shares to be delivered was determined by the quotient between the value assigned to the plan to each individual and the share price in a certain number of business days prior to the start and end of the plan's measurement period. During 2022, the before mentioned incentive plan expired and in 2023 the first delivery in shares associated with it took place, for an amount of 2,773 thousand euros. The estimated amounts and those calculated in the settlement of the plan do not differ significantly. In relation to this incentive plan, the remaining amount, amounting to €2,900 thousand of shares, was paid in the following two years in accordance with the conditions of the plan, with an amount of €1,507 thousand having been delivered in 2024 (Note 16.4) and the delivery of the rest is scheduled for the 2025 financial year, concluding this incentive plan. The amount of tax liabilities associated with the delivery of the shares is recorded against reserves.

There are no additional stock-based incentive schemes for staff.

In the 2023 financial year, the Group approved a new incentive plan payable in cash, with a maximum cost of up to €17,5 million, which will accrue from 1 January 2023 to 31 December 2025 and whose beneficiaries will be directors with executive functions and members of the management team of Neinor Homes. S.A. and its group of companies that are expressly invited by the Board of Directors of the Parent Company, at the proposal of the Appointments and Remuneration Committee. The metric used to measure compliance with the plan is the Total Return to Shareholders (RTA), defined as dividends distributed, share capital reduction and treasury stock cancellation by Neinor Homes, S.A., all of which are aligned with the 2023-2027 strategic plan, after compliance with 85% of the established EBITDA, as it is the key parameter to understand that it is due to accrual. The amount that has been disbursed until the 2024 financial year related to the before mentioned plan amounts to €4,150 thousand. As of December 31, 2024, the accrued amount of €4,580 thousand has been recognized under the heading "Personnel expenses" in the consolidated income statement (€4,150 thousand as of December 31, 2023) with a credit to the heading "Other current liabilities" of the accompanying consolidated balance sheet (Notes 23.2 and 25). During the first half of the 2025 fiscal year, the Board of Directors is expected to approve the distribution of the amount accrued in the 2024 fiscal year, along with the distribution of an additional amount of approximately 2 million euros, which will, in any case, depend on future dividend distributions. This will bring the total approved amount for this incentive plan to approximately 11 million euros.

4.22 Related-Party Transactions

The Group carries out all its transactions with market securities. In addition, transfer pricing is adequately supported, so the members of the Board of Directors of the Parent Company consider that there are no significant risks in this regard that could result in significant liabilities in the future (Note 24).

If significant differences are revealed between the established price and the fair value of a transaction carried out between related companies, this difference would be considered as a distribution of results or contribution of funds between the Company and the before mentioned related company and as such would be recorded with a charge or credit to a reserve account. In the event that they correspond to transactions held with other shareholders of the related company, these will be recorded in the consolidated income statement in proportion to the participation held by the other shareholders on the date of the transaction.

4.23 Remuneration of Senior Management

The remuneration of the members of the Senior Management of the Parent Company and persons performing similar functions (Note 25) is allocated based on accrual, and the corresponding provision will be recorded at the end of the year in the event that the amount has not been settled.

5. Earnings / (loss) per share

5.1 Basic earnings /(loss) per share

Basic earnings / (loss) per share are calculated by dividing net profit/ (loss) for the year attributable to the Group (i.e., after tax and non-controlling interests) by the weighted average number of shares outstanding during that year.

Accordingly:

	31.12.24	31.12.23
Profit/(Loss) for the year attributable to the Parent Company (thousands of euros)	62.008	90.627
Weighted average number of shares outstanding (in thousands) (*) (Note 16)	74.588	74.508
Basic Profit / (Loss) per share (euros)	**0.831**	**1.216**

(*) Average number of shares, adjusted for treasury stock.

5.2 Diluted earnings/ (loss) per share

Diluted earnings/loss per share is calculated in the same way as basic earnings/loss per share, but the weighted average number of shares outstanding is adjusted to consider the potential dilutive effect of share options, warrants and convertible bonds outstanding at year end.

At 31 December 2024 and 2023, diluted earnings per share of the Neinor Homes Group basically coincided with the basic earnings per share, since the impact of the share-based payments in this calculation is not significant (Note 4.21).

6. Segment reporting

6.1 Basis of segmentation

Segment reporting is structured based on the Group's various lines of business.

The lines of business described below were established on the basis of the Neinor Homes Group’s organizational structure at 2024 year-end, taking into account, on the one hand, the nature of the goods and services offered and, on the other, the customer segments at which they are targeted.

The Neinor Homes Group engages mainly in developing and selling property developments (see Note 1), generally based on finalist/residential land (the Group does not develop the land value chain, although non-finalist land purchases may be made whose payments and deeds are conditioned on obtaining the corresponding urban planning permits (Note 13). Moreover, the Group distinguishes the results generated from the assets earmarked for property development, which could be sold before development (included under "Development") from those assets considered as non-strategic (included under "Legacy").

On the other hand, in February 2020, the Board of Directors of the Parent Company approved the development of a new line of business for housing rentals promoted by the Group based on the current land bank initially limited to around 1,200 homes, but with the aim of reaching 4,500 units in the next 5 years. In any case, the development of this new line of business is a totally complementary activity to the Group's main activity, consisting of the development of the residential business. The commitment to this line of business was consolidated through the acquisition in 2020 of Renta Garantizada S.A. and the purchase of Sardes Holdco, S.L.U. (now called Neinor Sardes Rental, S.L.U.) in 2021 (including both subsidiaries under the "Rental" segment). In addition, this line was consolidated in 2022 with the incorporation of the new companies Sky Rental Homes Propco, S.L.U., Rental Homes Propco, S.L.U., Europa Rental Homes Propco, S.L.U., Sky Coliving Homes Propco, S.L.U. and Rental Homes NX Propco, S.L.U. (Note 2.8). During2023, the Group's Board of Directors, in the context of its new business plan, the rental business line is capital-intensive and increases exposure to fluctuations in asset values, so less weight has been given to this Built to Rent activity , and in practice, Although it is not considered a discontinued activity, it loses weight and the sale of real estate assets held for rent or generation of capital gains has been approved, as divestment opportunities arise that allow the crystallization of their values. In this context, for management purposes, the group classifies in the "Rental" chapter as of January 1, 2023 the income derived from rental income and housing management and the capital gains derived from the holding of such real estate assets that qualify as Investment property and that are measured at fair value under IAS 40, as well as the results on the sale of Investment property, where applicable, on the one hand, and, on the other hand, the divestment of those assets that the Group considers to be "Build to Rent" and that it keeps in stock, which are sold at the time of being in delivery conditions without having generated representative income from rental rentals or therefore having changed their classification to Investment property.

Finally, it should be noted that the Asset Management (AM) business line was launched in March 2023 to deploy excess operating capacity and improve return on equity for shareholders (see 4.21) by boosting revenues based on the collaboration agreements reached with financial partners to provide a more effective use of capital, managing the vehicle's floor bank created in Asset Management and charging an administration fee in exchange for delegated management or promotion. Service agreements have a fixed fee and incentive structure. In addition, the Group benefits from the realization of profits and distribution of dividends by the respective vehicle. The main partners in the co-investment vehicles are Bain Capital, AXA, Orion, Urbanitae, Octopus and Avenue (see Note 2.8).

Income and expenses that cannot be specifically attributed to any line of an operating nature or that are the result of decisions that affect the Group as a whole and, among them, expenses arising from projects and activities that affect several business lines are attributed to a "Corporate/Other Unit", to which are also assigned the reconciliation items that arise when comparing the result of integrating the financial statements of the different business lines (which are formulated with management criteria) with the Group's consolidated financial statements.

On the other hand, the Group's activities as of December 31, 2024 and 2023 are located entirely in Spain.

6.2 Basis and methodology of information by business segments

The information by segments set out below is based on the monthly reports prepared by the Group's Management and is generated using the same computer application used to obtain all the Group's accounting data, being reviewed by the Financial Management Committee (where both the Management and the Board of Directors are represented).) to make decisions regarding the allocation of resources and evaluate their performance.

The segment's ordinary income corresponds to the ordinary income directly attributable to it. The ordinary income of each segment does not include interest and dividend income or gains from the sale of Investment property. Sales of Investment property do not produce a result at the time of sale when measured at fair value (Notes 4.3 and 4.19)

The expenses of each segment are determined by the expenses derived from the operating activities of the segment that are directly attributable to it (as is the case of the items "Cost of sales", "Operating expenses" and "Variation in traffic provisions") plus the corresponding proportion of the expenses that can be attributed to the segment using a reasonable basis of distribution (the latter criterion being applied in relation to personnel expenses).

The result of the segment is presented before any adjustment that corresponds to minority interests, if any.

The assets and liabilities of the segments are those directly related to the operation of the segment, plus those that may be directly attributable to it in accordance with the before mentioned distribution criteria. However, the headings "Debtor general government", "Creditor general government" and "Cash and other cash equivalents", are assigned to the "Corporate Unit/Other" line.

Segment Information

	Development (***)		Rental		Asset Management (AM)		Other / Corporate (*)		Total Group	
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Results:										
External Sales	442.584	503.061	36.826	86.415	6.353	-	930	1.154	486.693	590.630
Cost of sales	(307.793)	(347.093)	(24.939)	(57.541)	-	-	(730)	(862)	(333.462)	(405.496)
Segment Gross Profit	**134.791**	**155.968**	**11.887**	**28.874**	**6.353**	-	**200**	**292**	**153.231**	**185.134**
Personnel costs	(31.286)	(31.817)	(4.994)	(4.620)	(1.545)	-	(125)	(43)	(37.950)	(36.480)
Personnel costs – Incentives (Note 23.2)	(5.579)	(4.274)	(179)	(1.136)	(43)	-	(7)	-	(5.808)	(5.410)
Operating expenses	(42.790)	(38.214)	(3.103)	(4.146)	(344)	-	(101)	(659)	(46.338)	(43.019)
Change in traffic provisions (Note 23.5)	(1.000)	2.922	(4.294)	(76)	-	-	-	-	(5.294)	2.846
Other operating income	5.810	3.508	43	45	6	-	-	(3)	5.859	3.550
Change in the fair value of Investment property	-	-	7.554	6.795	-	-	-	-	7.554	6.795
Impairment and gains on disposals of fixed assets	-	780	437	(103)	-	-	-	(12)	437	665
Profit or loss of control of holdings (Note 2.8).	-	4.698	(761)	-	-	-	-	-	(761)	4.698
Net financial profit and loss from companies accounted by the equity method	(5.240)	(4.533)	(1.586)	(1.866)	11.821	-	5.253	(5.377)	10.248	(11.776)
Depreciation	(3.436)	(5.811)	(655)	(1.108)	-	-	(340)	(575)	(4.431)	(7.494)
Profit before tax	**51.270**	**83.227**	**4.349**	**22.659**	**16.24 8**	-	**4.880**	**(6.377)**	**76.747**	**99.509**
Financial and other net income	5.240	11.958	1.586	1.866	(11.821)	-	(5.253)	5.377	(10.248)	19.201
Provision of inventories	-	1.238	-	-	-	-	-	-	-	1.238
Depreciation	3.436	5.811	655	1.108	-	-	340	575	4.431	7.494
Employee benefits expenses – Incentives (Note 23.2)	5.579	4.274	179	1.136	43	-	7	-	5.808	5.410
Staff restructuring costs (Note 13.3)	657	446	3	11	-	-	-	-	660	457
Growth expenses (Note 13.4)	2.127	2.784	-	-	-	-	-	-	2.127	2.784
Profit or loss from companies accounted by the equity method (Note 11)	-	-	-	-	12.593	-	-	-	12.593	-
Difference in rating Alboraya (Egusa) (****)	9.996	-	-	-	-	-	-	-	9.996	-
EBITDA COMPANY (**)	**78.305**	**109.738**	**6.772**	**26.780**	**17.063**	-	**(26)**	**(425)**	**102.114**	**136.093**

(*) Due to the low relevance of the individual figures of the Other / Corporate areas, in the 2024 financial year the integrated figures are presented doing the same exercise for the 2023 figures that were presented separately.

(**) This is a financial measure used by the Group's Financial Management where it adjusts, mainly, the incentives and expenses for restructuring and growth, as well as other items under other headings that the Group associates with its operating profit.

(***) It includes under the "Development" segment an amount of €8,629 thousand in 2024 corresponding to sales of land before development and real estate development (€37,988 thousand in 2023), with a cost of sales of €7,377 thousand (€21,955 thousand in 2023) (Note 23.1).

(****) This is the interest recognized as a result of the agreement reached described in Note 14 and whose receivable has materialised through the delivery of a series of floors by the debtor. In this sense, this financial income has been considered as part of the Company's EBITDA since from the date of the business combination with Quabit Inmobiliaria, S.A., the expectation according to the litigation process and the negotiations existing on that date, was that this account receivable would finally materialize through the dation in payment of inventories.

The main figures of the consolidated balance sheet by segment as of December 31, 2024 and 2023 are as follows:

	Thousands of euros									
	Development		Rental (*)		Asset Management (AM) - Coinvestment		Other / Corporate		Total Group	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
Balance sheet:										
Non-current assets	32.839	35.024	131.762	153.296	36.547	585	92.248	239.061	293.396	427.966
Current assets	985.190	1.128.132	33.381	40.451	7.292	3.596	406.042	357.987	1.431.905	1.530.166
Total assets	**1.018.029**	**1.163.156**	**165.143**	**193.747**	**43.839**	**4.181**	**498.290**	**597.048**	**1.725.301**	**1.958.132**
Non-current financial debt	-	24.541	41.036	24.541	-	-	-	138.927	41.036	188.009
Current financial debt	142.256	186.541	8.270	33.580	-	-	-	-	150.796	220.121
Other non-current liabilities	501	8.070	1.944	6.628	-	-	331.423	150.002	333.868	164.700
Other current liabilities	149.570	237.687	39.981	23.536	49.307	-	99.032	42.477	337.890	303.700
Total Liabilities	**292.597**	**456.839**	**91.231**	**88.285**	**49.307**	**-**	**430.455**	**331.406**	**863.590**	**876.530**

(*) As of December 31 of the 2023 financial year, Current assets classified in the "Rental" segment are mainly due to non-current assets held for sale. In the financial years 2024 and 2023 Inventories defined as "Build to Rent" are included in the "Development" segment while under construction (Note 9).

7. Intangible assets

The changes in the years ended December 31, 2024 and 2023 under the heading "intangible assets", broken down by asset class, were as follows:

Year ended December 31, 2024

	Thousands of Euros			
	Computer Applications	Industrial Property	Customer portfolio	Total
Cost:				
Balance as of December 31, 2023	4.755	19	8.176	12.950
Additions	603	-	-	603
Disposals	-	-	-	-
Balance as of December 31, 2024	**5.358**	**19**	**8.176**	**13.553**
Accumulated depreciation:				
Balance as of December 31, 2023	(4.018)	(1)	(4.335)	(8.354)
Charges	(461)	(2)	(1.647)	(2.110)
Disposals	-	-	-	-
Balance as of December 31, 2024	**(4.479)**	**(3)**	**(5.982)**	**(10.464)**
Net Balance as of December 31, 2024	**879**	**16**	**2.194**	**3.089**

Year ended December 31, 2023

	Thousands of Euros			
	Computer Applications	Industrial Property	Customer portfolio	Total
Cost:				
Balance as of December 31, 2022	4.414	15	8.176	12.605
Additions	376	4	-	380
Disposals	(35)	-	-	(35)
Balance as of December 31, 2023	**4.755**	**19**	**8.176**	**12.950**
Accumulated depreciation:				
Balances as of December 31, 2022	(3.413)	-	(348)	(3.761)
Charges	(630)	(1)	(3.987)	(4.618)
Disposals	25	-	-	25
Balance as of December 31, 2023	**(4.018)**	**(1)**	**(4.335)**	**(8.354)**
Net Balance as of December 31, 2023	**737**	**18**	**3.841**	**4.596**

The main additions in 2024 and 2023 relate to the development of the management software used by the Group.

At 31 December 2024 and 2023, there were no intangible assets provided as collateral for any obligation.

At 31 December 2024 intangible assets fully amortized amount to €3,774 thousand (€3.309 thousand at 31 December 2023).

8. Property, plant and equipment

The changes in the heading "Property, plant and equipment" in the consolidated balance sheet during the years ended December 31, 2024 and 2023, respectively, were as follows:

Year ended December 31, 2024

	Thousands of Euros		
	Facilities techniques and machinery	Other Immobilized	Total
Cost:			
Balance as of December 31, 2023	**7.497**	**2.928**	**10.425**
Additions	678	191	869
Disposals	(784)	(124)	(908)
Balance as of December 31, 2024	**7.391**	**2.995**	**10.386**
Accumulated depreciation:			
Balance as of December 31, 2023	**(3.437)**	**(1.555)**	**(4.992)**
Charges	(1.080)	(357)	(1.437)
Disposals	502	115	617
Balance as of December 31, 2024	**(4.015)**	**(1.797)**	**(5.812)**
Accumulated depreciation:			
Balance as of December 31, 2023	**(590)**	-	(590)
Balance as of December 31, 2024	**(590)**	**-**	**(590)**
Net balance as of December 31, 2024	**2.786**	**1.198**	**3.984**

Year ended December 31, 2023

	Thousands of Euros		
	Facilities techniques and machinery	Other Immobilized	Total
Cost:			
Balance as of December 31, 2022	8.358	3.746	12.104
Additions	664	578	1.242
Disposals	(1.525)	(1.396)	(2.921)
Balance as of December 31, 2023	**7.497**	**2.928**	**10.425**
Accumulated depreciation:			
Balances as of December 31, 2022	(3.462)	(1.408)	(4.870)
Charges	(1.040)	(342)	(1.382)
Disposals	1.065	195	1.260
Balances as of December 31, 2023	**(3.437)**	**(1.555)**	**(4.992)**
Accumulated depreciation:			
Balances as of December 31, 2022	(590)	-	(590)
Balances as of December 31, 2023	**(590)**	**-**	**(590)**
Net balances as of December 31, 2023	**3.470**	**1.373**	**4.843**

The main additions in financial years 2023 and 2024 correspond to the activation of the new facilities for the Group sales (“Neinor Store”), as well as renovations in the Group offices.

The Neinor Homes Group takes out all the insurance policies it considers necessary to cover the risks which might affect its property, plant and equipment.

As of December 31, 2024, there are fully depreciated items of property, plant and equipment amounting to €2,461 thousand (€2,663 thousand in 2023).

At 31 December 2024 and 2023, there were no property, plant and equipment items provided as collateral for any obligation.

At 31 December 2024 and 2023, the Group did not have any significant commitments to purchase items of property plant and equipment.

9. Investment property

The movement during the years ended December 31, 2024 and 2023 was as follows:

Year ended December 31, 2024

	Thousands of Euros
Balances as of December 31, 2023	**148.728**
Additions	33
Withdrawals	(2.160)
Transfers	35.588
Changes in the scope of consolidation (Note 2.8)	(58.000)
Changes in fair value	7.554
Balance as of December 31, 2024	**131.743**

Year ended December 31, 2023

	Thousands of Euros
Balances as of December 31, 2022	**143.669**
Additions	3.809
Withdrawals	-
Transfers	60.604
Changes in the scope of consolidation (Note 2.8)	(66.149)
Changes in fair value	6.795
Balance as of December 31, 2023	**148.728**

As of December 31, 2024, this heading of the consolidated balance sheet is mainly made up of the assets of the current Neinor Sardes Rental, S.L.U, as of January 4, 2021, owner of 9 developments for lease for an amount of 72,055 thousand euros, located in Alicante, Badalona, Gerona, Madrid, Málaga, Sabadell, Terrassa and Valencia; as well as two assets in Vitoria (Olarizu) and Seville respectively that have been completed in the 2024 financial year and in accordance with the group's business plan have been classified under this heading as the conditions for this have been met. At the end of the 2023 financial year, this heading was made up of the same assets of Neinor Sardes Rental, S.L.U. mentioned above, as well as 4 assets in Alovera for which their exploitation via rents was planned.

Regarding the main operations of the 2024 financial year, it should be noted that on July 12, 2024, the Group has reached an agreement with Daria 323 Corporate Services, S.L.U. for the sale of the company Rental Homes NX Propco, S.L., the company that holds three Investment property. The sale of this company was subject to the delivery of the goods under certain formal conditions within the 2024 financial year itself. Given the change in the intention to sell these assets , Investment property have been reclassified during the 2024 financial year under the heading "Non-current assets held for sale", where they have been held until the sale finally took place in December 2024, having been valued at the agreed purchase price, which has resulted in the recording of a loss in the amount of €5,361 thousand recognized under the heading "Change in fair value of Investment property" in the consolidated income statement (Note 2.8). The result of the loss of control of the investee company, once the above has been considered, is not significant in the consolidated income statement for 2024. As of December 31, 2024, the receivable arising from these outstanding transactions amounted to €22,863 thousand when part of its payment deferred to one year was presented (Note 14).

Regarding the operations of the 2023 financial year, it is worth mentioning that in the first place at the end of 2022, the Group formalized the sale of the development intended for rental to a third party, which was recorded at the end of 2022 under the heading "Non-current assets held for sale", which was equivalent to its market value. In January 2023, the sale of Hacienda Homes for an amount of €32,561 thousand was completed, which had been classified at the end of the 2022 financial year as "Non-current assets held for sale". On the other hand, on June 20, 2023, the Group reached an agreement with Melca Investments 2023, S.L. for the sale of the two real estate investment holding companies in Valencia. The sale of these companies was subject to the delivery of the asset under certain formal conditions that depended on the Group itself and a necessary procedure that did not prevent its sale within the committed period, although it was a condition precedent for the closing of the operation. This sale was formalized in September 2023, for an amount of €66,149 thousand, with an amount of €12,741 thousand pending collection subject to the obtaining of a series of rents and occupancy levels in 18 months from the closing of the transaction, of which €9,292 thousand have been collected in 2024 (Notes 2.8 and 14).

It should be noted that in accordance with IAS 40, the Group's real estate assets held for the generation of income and/or capital gains are measured by the fair value method, and this measurement is maintained at market value, in accordance with IFRS 5, at the time when, where appropriate, they are transferred to non-current assets held for sale because of the conditions for it are met.

Income from Investment property owned by the Group in 2024 and 2023 amounted to €3,836 and €3,707 thousand, respectively (Notes 6 and 23.1). In addition, there is income linked to the "Rental" activity for services provided by the Group through Renta Garantizada S.A. amounting to €3,990 thousand as of December 31, 2024 (€3,307 thousand as of December 31, 2023).

As of December 31, 2024, there are assets included under the heading "Investment property" with a gross cost of €93 million that serve as collateral for the loans subscribed by the Group (Note 18).

Assuming the rest of the variables constant, the valuations of Investment property would be affected as follows considering the variation of the key hypotheses (in thousands of euros):

	Thousands of euros					
Hypothesis	Discount rate		Sale price			
	1%	-1%	1%	-1%	5%	-5%
	Increase (decrease)					
Change in fair value (lower valuation) / higher valuation	(11.753)	12.866	1.379	(1.360)	6.825	(6.811)

10. Rights of use assets

The movement during the years ended December 31, 2024 and 2023 was as follows:

Year ended December 31, 2024

	Thousands of euros			
	Cost	Depreciation	Deterioration	Net
Balances as of December 31, 2023	**5.928**	**(1.992)**	**-**	**3.936**
Additions/Chages	10	(884)	-	(874)
Disposals	-	-	-	-
Balances as of December 31, 2024	**5.938**	**(2.876)**	**-**	**3.062**

Year ended December 31, 2023

	Thousands of euros			
	Cost	Depreciation	Deterioration	Net
Balances as of December 31, 2022	**4.737**	**(4.068)**	**-**	**669**
Additions/Chages	4.076	(809)	-	3.267
Disposals	(2.885)	2.885	-	-
Balances as of December 31, 2023	**5.928**	**(1.992)**	**-**	**3.936**

11. Non-consolidated subsidiaries integrated by the equity method

The disclosure of investment in companies made up of the equity method at the end of 2023 and 2024 and the movement during 2024 is as follows:

Exercise 2024

	Thousands of Euros						
	Opening Balance	Procurement	Divestments	Participation in the profit or loss of companies accounted by the equity method (**)	Dividends (***)	Other Movements (*)	Final Balance
Nicrent Residencial, S.L.	5.948	-	-	4	-	-	5.952
Programa de Actuación de Baleares, S.L.	1	-	-	-	-	-	1
Masía de Montesano, S.L.	594	-	-	-	-	-	594
Pegasus Holdco, S.L.	757	543	-	(189)	-	-	1.111
JV Panoramic DV, S.L.	1.535	345	-	(75)	-	-	1.805
Brick Opportunities 9, S.L.	-	800	-	(30)	-	-	770
Waterton Invest, S.L.	-	1.399	-	(57)	-	-	1.342
Promociones Hábitat, S.A.	-	31.660	-	2.413	(13.000)	10.528	31.601
Harmony Holding Iberia, S.L.	-	142	-	(1)	-	-	141
Alboraya Marina Nova, S.L.	1	-	-	-	-	-	1
	8.836	**34.889**	**-**	**2.065**	**(13.000)**	**10.528**	**43.318**

(*) The Group's share of the results of discontinued activities under the equity method should be reported.

(**) During 2024 and following the acquisition of Promociones Habitat, S.A., dividends amounting to €13,000 thousand were distributed, of which €7,959 thousand represent a partial return on the initial investment.

(***)It corresponds to the provisional badwill in consolidation that has become apparent after the acquisition of the shares representing 10% of the capital of Promociones Habitat, S.A. described in this note, and which is the remaining amount after having considered the badwill already realized as of December 31, 2024.

Likewise, the balance of loans granted by the Parent to the associated companies amounted to €1,720 thousand as of December 31, 2024 (€288 thousand as of December 31, 2023).

As of December 31, 2024, there are firm investment commitments in relation to the coinvestment business amounting to €451 million, which, together with the investments already made, is in line with the initial objective established in the business plan, which amounted to approximately €1,300 million.

Acquisition of Promociones Hábitat, S.A.-

On 20 September 2024, the Parent acquired 10% of the company engaged in the same business as the group, which gives it significant influence over that entity. This operation is part of the guidelines established in the Group's strategic plan, for expansion through coin-investment agreements linked to asset management agreements in a delegated manner. The proportional part acquired by Neinor Homes, S.A. of the assets acquired, and liabilities assumed by Promociones Hábitat, S.A. must be adjusted for revaluation or depreciation at fair value in the same manner as in business combination accounting according to IFRS 3.

The fair value of the consideration transferred in the acquisition amounted to €31,6 million, having been paid in full in 2024. There are no contingent considerations. On the same date, an agreement was signed for the management and development of the real estate assets of Promociones Hábitat, S.A. and as part of the agreements, most of its staff was transferred to Neinor Homes, S.A. on 1 October 2024.

The parties sign a shareholders' agreement regulating the co-investment made. The agreements reached between buyer and seller include indemnity aspects from the second to the first, as is usual in this type of operation, as a result of the negotiation between the parties.

Assets acquired and liabilities assumed at the acquisition date

The assets and liabilities of Promociones Hábitat, S.A. recognized at the date of acquisition have been the following:

	Thousands of Euros	Settings	Thousands of Euros
Current asset:			
Inventories	577.949	150.356	728.305
Trade debtors	14.274	(428)	13.846
Financial investments	3.231	(97)	3.134
Cash and other cash equivalents	37.296	(30)	37.266
Non-current assets:			
Brand	-	40.555	40.555
Intangible assets	311	(311)	-
Property, plant and equipment	2	(2)	-
Financial investments	2.436	(73)	2.363
Deferred tax assets (*)	9.742	-	9.742
Current liabilities:			
Short-term debts with credit institutions	(8.973)	-	(8.973)
Trade creditors	(188.582)	852	(187.730)
Other financial liabilities	(3.282)	-	(3.282)
Non-current liabilities:			
Deferred tax liabilities	-	(47.707)	(47.707)
Provisions	(5.646)	-	(5.646)
Long-term debts with credit institutions	(150.007)	-	(150.007)
Other financial liabilities	(9.988)	-	(9.988)
Total fair value of identifiable net assets acquired			***421.878***
Total fair value of identifiable net assets acquired adjusted by % acquired (10%)			***42.188***
Price paid for 10%			***31.660***
Provisional badwill as of 30/09/2024			***10.528***
Material difference attributable to assets and liabilities drawn down between the acquisition date and December 31, 2024			*(2.253)*
Provisional badwill as of 31/12/2024			***8.275***

(*) Under the valuation rules in force, deferred tax assets recognized in a business combination are not measured at fair value but are reflected at their nominal value.

For the purposes of presenting the results of the companies integrated by the equity method, including those contributed by Promociones Habitat, S.A., the results are based on the financial information from the 2024 financial year. Therefore, the provisional badwill associated with Promociones Habitat, S.A., amounting to €8,275 thousand, is the remaining amount after considering the portion of the difference that is realized as of December 31, 2024, as described in the following section.

Other information

The badwill that is evident has been provisionally recognized (within the existing one-year window indicated by the standard for carrying it out). The acquirer may recognize certain assets and liabilities that the acquiree has not previously recognized in its financial statements because it has generated them internally and has charged the relevant costs to expenses. The initial recognition will not be complete until the statutory audit of the company is completed, which will allow the valuation of the net assets acquired to be concluded, and therefore the valuation period will be open to date, except with regard to the valuation of immovable assets (inventories) and other intangible assets, which are the most significant parts of the assets acquired, for which they have relied on the valuation reports carried out by independent experts (the same as the one who carries out the valuation reports of the Independent Expert S. certain valuations for the Group) dated October 2024, the time closest to the acquisition date, and December 2023 adjusted for its real estate development, for certain assets.

In order to contrast the reasonableness of badwill initially arising in the purchase transaction, a review of the first analysis of the nature of the items that make up the percentage of the balance sheet acquired has been carried out in order to assess whether there are items whose fair value is susceptible to making additional adjustments to those already made prior to the incorporation of the company into the consolidated by the equity method. Badwill initially arising in the transaction, which amounts to a total of €10,5 million and is recognized under the heading "Profit or loss from companies using the equity method" in the consolidated income statement, is mainly related to the characteristics of the acquired real estate business, as it is long-term and less liquid. and in the context of the intention of its controlling shareholder Bain Capital to accelerate the development and/or divestment of its asset portfolio by 2030 with the entry of another dynamic partner.

12. Current and non-current financial assets

The disclosure of the balance of this heading of the accompanying consolidated balance sheet, according to the nature of the transactions, is as follows:

	Thousands of Euros			
	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Financial investments	6.949	1	5.189	342
Derivatives	-	4.606	10.953	-
Fixed-term deposits	-	-	-	195
Loans	1.001	915	7.084	890
Guarantees and deposits	1.075	1.220	1.106	1.460
Total	**9.025**	**6.742**	**24.332**	**2.887**

During the year 2022, the company of the Neinor Península, S.L.U. Group constituted several Economic Interest Groupings for an amount of €6,446 thousand in order to invest in research and development actions and the development of audiovisual works. In 2024 it has made new investments amounting to €6,429 thousand. Likewise, during the current financial year 2024, these Economic Interest Groupings have accrued financial income amounting to €4,448 thousand (€4,024 thousand in 2023) (Note 23.6), as well as a depreciation of the stake in the amount of €902 thousand (€6,072 thousand in 2023).

The Group uses derivative financial instruments to hedge the risks to which its activities, operations and future cash flows are exposed. As part of these transactions, the group entered into two derivative contracts to hedge interest rate risk with a CAP of 2% in 2022. Through this transaction, the Group paid a premium and consequently has the right to receive future periodic settlements when the variable amount payable by the bank is on certain dates higher than the variable amount payable by the counterparty. During the 2023 financial year, the Group amended these two contracts and entered a third derivative contract (Note 28). In 2024 and following the issuance of corporate bonds explained in Note 18.2 at a fixed rate, the initial coverage has become partially ineffective since November 2024. The ineffective portion of the financial swaps entered into is recorded directly in the consolidated income statement from that date.

The Group has complied with the requirements detailed in Note 4.10 on valuation standards in order to classify the financial instruments detailed below as hedging. Specifically, the Group carries out an analysis of the extent to which changes in the fair value or cash flows of the hedged item attributable to the risk to be hedged using the linear regression method for forward-looking analysis. Considering this analysis, the Group determines the existence of the economic relationship and the coverage ratio.

The characteristics of these derivative contracts are as follows as of December 31, 2024, and 2023:

				Thousands of Euros				
							Fair Value Hedging Instrument 31.12.24	
Cover Item 2024	Hedging Instrument	Covered Risk	Type	Notional Value	Expiration	Inefficiency recorded in Results (loss)	Active	Passive
Variable interest rate financing	Interest rate CAP	Euribor	Variable rate CAP	62.600.000	31/03/2025	-	223	-
Variable interest rate financing	Interest rate CAP	Euribor	Variable rate CAP	83.500.000	31/08/2026	(510)	1.164	-
Variable interest rate financing	Interest rate CAP	Euribor	Variable rate CAP	167.000.000	31/08/2027	(1.176)	3.219	-

				Thousands of Euros				
							Fair Value Hedging Instrument 31.12.23	
Cover Item 2023	Hedging Instrument	Covered Risk	Type	Notional Value	Expiration	Inefficiency recorded in Results	Active	Passive
Variable interest rate financing	Interest rate CAP	Euribor	Variable rate CAP	57.500.000	31/03/2025	-	1.400	-
Variable interest rate financing	Interest rate CAP	Euribor	Variable rate CAP	83.500.000	31/08/2026	-	2.743	-
Variable interest rate financing	Interest rate CAP	Euribor	Variable rate CAP	167.000.000	31/08/2027	-	6.810	-

The before mentioned financial instruments have accrued financial income amounting to €5,173 thousand, of which €6,722 thousand have been collected at the current date due to the settlement characteristics of the contracts and the time differential between the accrual periods and the time when cash flows are inflowed. They are presented under the heading "Change in the fair value of financial instruments" in the accompanying consolidated income statement, net of the depreciation of the premium paid. Likewise, the ineffectiveness of the hedge has been recognized in the financial results and has entailed an expense of €1,686 thousand recognized under the heading "Change in fair value in financial instruments" of the consolidated income statement for the 2024 financial year.

13. Inventories

The composition of this heading as of December 31, 2024, and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	31.12.2023
Land and plots	419.508	437.047
Ongoing promotions	331.588	358.256
Finished properties	196.456	230.799
Advances to suppliers	60	60
Impairment losses (*)	(11.957)	(13.768)
Total	**935.655**	**1.012.394**

(*) Of this amount, €3,101 thousand correspond to the heading "Land and plots".

In the year ended December 31, 2024, financial interests in inventories amounting to €7,017 thousand (€11,653 thousand as of December 31, 2023) (Notes 4.7 and 4.15) were activated (Notes 4.7 and 4.15).

As of December 31, 2024, the cumulative impairment of land and plots amounted to €3,101 thousand (€3,112 thousand as of December 31, 2023).

The additions for the 2024 financial year correspond mainly to the certificates of works of the developments in progress and activated costs associated with construction amounting to €208million, with additional land purchases amounting to €49million (10 million euros in 2023).

On the other hand, at the end of the 2024 financial year the Group delivered homes in 60 different developments and has 20 real estate developments registered under the heading "Developments in progress". In 2023, the Group delivered 61 developments and had 25 real estate developments registered under the heading "Developments in progress" at the end of the year.

In 2024 the Group has formalized the sale of the development in Parla for an amount of €29,000 thousand (Note 23.1), of which €20,110 thousand have been collected as of the date of preparation of these consolidated financial statements. In addition, on 20 July 2023, the Group reached an agreement for the sale of the Dual Homes development for an amount of €25,500 thousand, which was subject to compliance by the Group with certain formal conditions and whose deadline was set for 31 December 2023. Both developments were developments intended for residential rental which, therefore, were categorized according to Note 6, as "Build to Rent" and were assigned to the "Rental" segment.

Likewise, on 29 June 2023, a private purchase agreement was signed by a company of the Neinor Group and the company JL Panoramic DV, S.L., in which the Parent Company has a 10% stake from that date (Note 2.8), which was subject to compliance with suspensive conditions of an urban planning nature before 31 March 2024 for its perfection and therefore, closing of the operation with the transfer of the legal ownership of the properties under the stipulated conditions. As of December 31, 2023, the conditions established in the contract had been fulfilled and the sale was recorded, although the part of the margin relating to the Company's stake is included by reducing the investments in the company JL Panoramic DV, S.L. until the profit is made to third parties.

As of December 31, 2024, there are assets included under the heading "Inventories" of the accompanying consolidated balance sheet with a net cost of €933 million corresponding to assets classified as "Development" and €3 million related to "Legacy" assets (€1,008 million and €4 million in the 2023 financial year). Likewise, at the end of 2024, the Group has delivered advances to suppliers for future land purchases for an amount of €62 thousand, net of impairment, corresponding to assets that are classified as "Development" and all of them are guaranteed by a real estate mortgage or by means of a deposit account (€60 thousand in 2023).

As of December 31, 2024, there are assets included under the heading "Inventories" with a gross cost of €473 million (€555 million as of December 31, 2023) that serve as collateral for the developer loans subscribed by the Group (Note 18).

At the end of the 2024 and 2023 financial years, the Group had no commitments to purchase additional significant land.

The commitments to sell developments entered into with customers as of December 31, 2024 and 2023 corresponding to those units in which a private purchase agreement has been signed has entailed the advance collection of amounts amounting to €82,804 and €51,690 thousand , respectively, which have been recognized under the heading "Other current liabilities" of the current liabilities of the consolidated balance sheets as of December 31, 2024 and 2023 (Note 19).

The Group periodically reviews the fair value of its inventories, making the corresponding provisions for impairment, where appropriate, in accordance with the criteria described in Note 4.7. The movement in the impairment provision associated with inventories is shown below for the financial years 2024 and 2023 (in thousands of euros):

	2024	2023
Initial Balance	**13.768**	**14.093**
Provisión recognized (Note 23.5)	-	1.240
Provision reversals	(1.811)	(1.565)
Final Balance	**11.957**	**13.768**

As of December 31, 2024 all Development assets have been subject to valuation by independent experts. The net realizable value granted by Savills Aguirre Newman Valuaciones y Tasaciones, S.A.U. and CBRE Valuation Advisory, S.A. to the Development assets, owned by the Group at that date, amounts to €1,211 million (€1,359 million if the valuation of legacy assets and assets from investment in HMB and Investment property were considered. The equivalent values as of December 31, 2023 amounted to €1,267 million and €1,458 million, respectively. Considering the external valuer's methodology described in Note 4.7, the key assumptions identified in the valuations for the assets under development are the discount rate and the sale prices. In the case of the discount rate, a sensitivity of +/- 100 basis points has been established based on the different economic scenarios foreseen in the short and medium term, as well as in consideration of the rate of return that would be required by other developers with characteristics other than the Group. On the other hand, a scenario of sales price stability is expected in any case, although the valuation models have incorporated conservative assumptions in relation to the current economic scenario, which is why an adequate sensitivity of +1% and +5% has been set.

Assuming the rest of the variables constant, the valuations of developments and their net book value as of December 31, 2024 would be affected as follows considering the variation in the key hypothesis (in thousands of euros):

	Thousands of euros					
Hypothesis	Discount rate		Sale price			
	1%	-1%	1%	-1%	5%	-5%
	Increase (decrease)					
Market value variation	(39.480)	44.152	24.607	(26.202)	122.833	(126.977)
Net book value variation (*)	(10.298)	3.492	2.037	(5.067)	5.346	(23.462)

(*) The accounting valuation is based on the cost or net value of realization, whichever is lower. Increases or decreases in net realizable value are not necessarily accompanied by impacts on the carrying amount of inventories.

The valuation models of Savills and CBRE adopted by the Group are sufficiently conservative and prudent not to consider it appropriate to raise sensitivities to negative price developments. Likewise, the Group's Directors consider that we are immersed in a scenario of stability or price increases. Notwithstanding the above, the Group has carried out an exercise of sensitivity to a fall in prices of 1%/5% in the base scenario of exit without subsequent price growth and with the rest of the variables remaining constant. In this adverse scenario, which is not considered likely at this time, the effect on the valuation of real estate assets would be a reduction of €26,202 thousand and €126,977 thousand as of December 31, 2023), while it would mean the recording of additional impairments amounting to €5,067 and €23,462 thousand euros, respectively (the effect of a price awareness of 1%/5% on the valuation of real estate assets as of December 31, 2023 would have led to a reduction of €30,307 thousand and €151,310 thousand, while it would have entailed the recording of additional impairments amounting to €2,222 and €26,342 thousand, respectively).

14. Trade receivables and other receivables

Trade receivables and other accounts receivable includes the following items:

	Thousands of Euros	
	31.12.2024	31.12.2023
Trade receivables	50.880	60.721
Customers, associated companies (Note 24)	7.977	2.677
Other receivables – Advances to Creditors	18.794	13.293
Other receivables – Provision of Services	5	14
Other	3.463	25.785
Impairment (Note 23.5)	(2.944)	(76)
Total	**78.175**	**102.414**

As of December 31, 2024, the heading "Customers and commercial bills receivable" in the table above includes an amount of €22,863 thousand outstanding for the sale in 2024 of the asset holding company in Alovera, Rental Homes NX Propco, S.L. (Notes 2.8 and 9), subject to the obtaining of a series of minimum rents and/or occupancy levels by the Group as well as an outstanding amount of €8,990 thousand for the sale of the Parla Homes real estate development (Note 13). Likewise, as of December 31, 2024, there is an amount outstanding amounting to €1,623 thousand, net of impairment allowances, in relation to the sale of Sky Homes originating in 2023, as earn-out, which will be settled in March 2025 (Notes 2.8 and 9).

As of December 31, 2023, the heading "Customers and bills receivable" in the table above included an amount of €12,741 thousand outstanding for the sale of the companies Sky Homes (Notes 2.8 and 9), subject to the obtaining of a series of minimum rents and occupancy levels by the Group, as well as an outstanding amount of

€26,339 thousand for the sale of the real estate development Europa Homes (Note 13). Except as indicated in the previous paragraph, the amounts owed have been collected in the 2024 financial year.

In addition, there are €7,6 million outstanding corresponding to the construction activity for the urbanization works in the I-15 sector of Alovera (€6,8 million pending collection as of December 31, 2023) (Note 24).

As of December 31, 2024, debit balances relating to the reappraisal of urban development works carried out in the Playa de Almenara Sector amounting to €3,172 thousand (€3,199 thousand as of December 31, 2024) are included under this heading.

The heading "Miscellaneous debtors" in the table above includes, fundamentally, advances made by the Group to service creditors that have not been accrued and/or settled. As of December 31, 2024, the advances made by the Group to creditors amounted to €18,794 thousand, including €9,321 thousand of advances made to brokers who have been involved in the formalization of private purchase and sale contracts pending deed and which, if they are not successfully finalized, are repayable (Note 4.14) (the equivalent amounts being €13,293 and €6,042 thousand as of December 31, 2023).

Finally, the heading "Others" in the table above included, as of December 31, 2023, mainly, the amounts owed by Empresa de Gestión Urbanística y Servicios de Alboraya, S.L. ("EGUSA") to the subsidiary company Neinor Península, S.L.U. (formerly Grupo Mediterráneo Costa Blanca, S.L.). These amounts refer to both the principal of the debt, €23,416 thousand, and the accrued interest, €2,342 thousand, figures that coincide with those expressed in judgment no. 535/2016 dated December 15, 2016, issued by the Court of First Instance number 6 of Valencia. By virtue of the agreement signed between the Group and Egusa in June 2024, the litigation process between the parties that had been ruling in favour of the Group with the recognition of the principal of the debt, €23,416 thousand, and the interest accrued updated for €11,813 thousand (€23,416 thousand in principal and €2,342 thousand in accrued interest registered in 2023 prior to the agreement reached, on December 31, 2023). Interest accrued in 2024 amounted to €9,996 thousand (Notes 6 and 23.6). Compliance with the agreement is subject to a series of conditions and the amount of the debt agreed as a result of the debtor's recognition of default interest has been €35,229 thousand, the difference between what was initially recorded and the amount agreed under the heading "Financial income" of the consolidated income statement. At the end of the 2024 financial year, the debtor handed over a series of properties once they had been segregated in consideration of the amount owed, based on the appraisal carried out by an independent expert, having classified an amount of €32,475 thousand into stocks, leaving an account receivable for an amount of €2,342 thousands of that are expected to be paid through the delivery of land during the first half of the 2025 financial year. There are seizure annotations in the registered properties in favour of the group.

Accounts receivable of commercial origin do not accrue interest, in general, and there are no non-performing assets that should be subject to impairment in addition to those already recorded at the end of the year.

The Group periodically analyses the risk of insolvency of its accounts receivable by updating the related provision for impairment losses. The Group's directors consider that the amount of trade and other receivables approximates their fair value.

15. Cash and cash equivalents

"Cash and cash equivalents" include the Group's cash and short-term bank deposits with an initial maturity of three months or less. The carrying amount of these assets is close to their fair value.

In this regard, as described in Law 20/2015, of 14 July, the advances received and associated with a development are deposited in a special account, separate from any other type of funds belonging to the Group, and which are only available for the services derived from the construction of the developments. The balance assigned to this unavailability amounts to €33,335 thousand as of December 31, 2024 (€22,249 thousand as of December 31,

2023) (Note 28), which differs from the amounts advanced (Note 19) as a result of the cash applied to the payment of the certifications of promotions to which these advances are attached. Likewise, the guarantees (Note 22) differ from these advances, on the one hand, by issuing guarantees for the total amounts that the customers will pay on account during the work and not only for the amounts received, and on the other hand, by issuing the guarantee within a period of up to 30 days after receiving the advance from the customer.

16. Capital and reserves

16.1 Share capital

In 2017, Neinor Homes, S.L.U. became a Public Limited Company with a view to its admission to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, which took place on 29 March 2017 with the prior authorization of the Company's Sole Shareholder on 6 March 2017. Likewise, in said deed, the number of existing shares of the Company was grouped by transforming every ten existing shares, with a nominal value of €1, into a new share with a nominal value of €10. Subsequently, on 6 March 2017, the then Sole Shareholder of Neinor Homes, S.A. approved an increase in the share capital, through monetary contributions, for an effective amount of €100 million. This capital increase was carried out through the issuance and circulation of new ordinary shares of the same class and series as those already outstanding, with a par value of €10 each and with an issue premium per share of €6,46, which made a total share premium of €39,247 thousand. Consequently, and following the capital increase carried out within the framework of the IPO, the share capital of Neinor Homes, S.A. was represented by 79,005,034 shares with a par value of €10 each.

On 30 May 2022, the public deed of reduction of share capital in the amount of €13,110 thousand was registered in the Bizkaia Mercantile Registry, through a reduction of €0,1639 in the nominal value of the shares. Subsequently, on 26 July 2022, the public deed of a second share capital reduction in the amount of €50,001 thousand was registered in the Bizkaia Mercantile Registry, through a reduction of €0,6251 in the nominal value of the shares.

On 19 October 2023, the deed of reduction of share capital in the amount of €37,675 thousand was registered in the Bizkaia Mercantile Registry, by reducing the nominal value of the shares by 0,4671. During the 2023 financial year, the deed of reduction of share capital indicated was registered in the Mercantile Registry of Bizkaia. On the same date, a second capital reduction of €43,874 thousand took place, through the redemption of 5,019,891 treasury shares with a par value of €8,74 each.

On February 19, 2024, the Group distributed a dividend amounting to €39,733 thousand through a share capital reduction, through the reduction of the nominal value of the shares by €0,53, leaving after that date the share capital set at €615,49.4 thousand consisting of 74,968,751 shares with a par value of €8,21 each. having been registered in the Mercantile Registry of Bizkaia on February 20, 2024. In addition, as approved at the Ordinary General Shareholders' Meeting held on April 17, 2024, in June 2024 the Board of Directors approved a proposal for shareholder remuneration of €37,484 thousand via share capital reduction and paid on July 31, 2024, with remuneration of €0,50 per share, as well as the distribution of another identical dividend in October 2024 in the amount of €37,484 thousand via capital reduction, with the reductions being duly registered in the Regional Register at the end of the year.

On December 18, 2024, the Extraordinary General Meeting of Shareholders has approved the return of contributions to shareholders via a capital reduction in two times for amounts of €62,224 thousand each, reducing the nominal value of the shares by €0,813 in each of the two approved returns, being delegated to the Board of Directors, in the Chief Executive Officer, in the Secretary of the Council, among others, the powers for the execution of the agreements adopted. In Execution of the agreement of the December 18, 2024, under the first item of its agenda, relating to the reduction of the share capital in the amount of €62,224,063 in order to return contributions to shareholders, through the decrease of €0,813 of the nominal value of the shares, the Company dominant has reported that it will carry out the first approved distribution being payable on January 24, 2025. As of the date of formulation, satisfied as provided and registered in the Mercantile Registry of Bizkaia CAP reduction is dated on 27 of January of 2025, prior to the formulation, which is why it has been registered the reduction of the share capital with a subscription to a dividend payable (Notes 4.18, 19 and 29), which is pending payment in the current liabilities of the consolidated balance sheet as of December 31, 2024.

As of December 31, 2024, considering the above transaction, the share capital of the Parent Company is composed of 74,968,751 shares with a par value of €6,38 each, fully subscribed and paid up (74,968,751 shares with a par value of €8,74 each as of December 31, 2023), according to the following disclosure:

	31.12.2024		31.12.2023	
	% Participation Registered	Total capital amount (Thousands of euros)	% Participation Registered	Total capital amount (Thousands of euros)
Orion European Real Estate Fund V, SLP	29,52	141.194	29,52	193.423
Stoneshield Holding S.A.R.L.	25,00	119.576	25,00	163.807
Adar Capital Partners Ltd	1 4.56	69.641	14,56	95.401
Remain stock Exchange	30,92	147.891	30,92	202.596
Total	**100,00**	**478.302**	**100,00**	**655.227**

16.2 Legal Reserve

Under Article 274 of the Consolidated Text of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2024 and 31 December 2023 legal reserve was not fully contributed.

16.3 Reserves at the Parent and reserves at fully consolidated companies

Details, by company, of reserves at fully consolidated companies at 31 December 2024 and 31 December 2023 are as follows:

Entity	Thousands of euros	
	31.12.2024 (*)	31.12.2023 (*)
Full consolidation:		
Parent Company	**47.862**	**56.626**
Neinor Norte, S.L.U.	97.898	81.428
Rental Homes Propco, S.L.U.	(22.332)	(11.891)
Neinor Sardes Rental, S.L.U.	11.437	10.626
Neinor Rental Opco, S.L.U.	(15.005)	(15.011)
Promociones Neinor 3, S.L.U.	(2.509)	(3.409)
Neinor Works, S.L.U.	(4.792)	(5.215)
Promociones Neinor 5, S.L.	(1.807)	(4.848)
Neinor Peninsula, S.L.U.	(73.403)	(130.517)
Neinor Sur, S.A.U.	270.621	242.203
Rental Homes NX Propco, S.L.	-	(2)
Europa Rental Homes Propco, S.L.	2.239	(4)
Rental Homes Holdco, S.L.	(1)	(1)
Renta Garantizada S.A.	1.180	729
Companies previously dependent on Quabit Inmobiliaria, S.A.	9.988	8.402
Companies Consolidated by Global Integration	**273.514**	**172.490**
Nicrent Residencial, S.L.	(53)	-
Programa de Actuación de Baleares, S.L.	-	-
Masía de Montesano, S.L.	-	-
Pegasus Holdco, S.L.	(51)	-
JV Panoramic DV, S.L.	(30)	-
Consolidated Companies by Equity Method	**(134)**	**-**
Total	**321.242**	**229.116**

(*) The Entity has also been constituted as of December 31, 2024, and 2023 a legal reserve in the amount of €6,293 thousands respectively not included for the purposes of this breakdown. On the other hand, consolidated reserves include the legal reserve of subsidiaries in the amount of €42,679 thousand (€37,505 thousand as of December 31, 2023).

At 31 December 2024 and 2023 the negative reserves contributed by the subsidiaries Rental Homes Propco, S.L.U., S.L.U., Neinor Rental Opco, S.L.U., Promociones Neinor 3, S.L.U., Neinor Works, S.L.U. and Promociones Neinor 5, S.L. arose as regards of the difference at the date when the Neinor Homes Group was created between the amounts the financial interests in these subsidiaries were contributed to the Group (specifically to the subsidiary Neinor Norte, S.L.U., its direct shareholder) and their underlying carrying amounts at that date were negative, due to the impairment recognized in connection with all their property assets. When the contribution was made, the Kutxabank Group intended the other investees of Kutxabank to make a direct contribution to restore their equity position so as not to give rise to any loss for Neinor Norte, S.L.U. Lastly, this contribution was made in 2015 by Kutxabank directly through a capital increase at Neinor Homes, S.A. prior to its transfer to Neinor Holdings, S.L.U. This capital increase was performed in steps at Neinor Norte, S.L.U. and its investees including, among others, those which had an equity imbalance, and the situation was remedied prior to the Lion transaction described.

16.4 Treasury shares and other reserves

The Annual General Meeting held on 6 March 2017 authorized the derivative acquisition of treasury shares for the maximum period permitted by law and subject to the requirements established in Article 146 of the Spanish Limited Liability Companies Law.

On 26 March 2021, and for a period of six months, the Group has launched a treasury share programme for the derivative acquisition of up to one million treasury shares, with a maximum permitted disbursement, in any event, of €10 million, for which the Parent has entered into a liquidity agreement with JB Capital Markets Sociedad de Valores, S.A.U. Additionally, on 17 September 2021, and for a period of 1 year, the Group has launched a treasury share program for the derivative acquisition of up to 2,5 million treasury shares, with a maximum permitted disbursement, in any event, of €30 million, for which the Parent Company signed a liquidity agreement with Gestión de Patrimonios Muebles, S.V., S.A.

In 2022, the Group initiated a share buyback program to reduce its share capital through the redemption of treasury shares and to distribute dividends (Note 16.5).

Likewise, for the distribution of dividends in 2024, 93,046 own shares have been redeemed for an amount of €636 thousand (in 2023, 5,019,891 own shares were redeemed for an amount of €51,324 thousand).

As of December 31, 2024, the total treasury shares of the Parent Company amounted to 380,854 (473,900 shares as of December 31, 2023). The average unit acquisition price of the securities amounts to €14,234 as of December 31, 2024 (€9,78 in the 2023 financial year).

Finally, in April 2020, the General Meeting of Shareholders of the Parent Company approved an incentive plan payable in shares (Note 4.21). During 2022, the before mentioned incentive plan expired and in 2023 there was the first delivery in shares associated with it, for an amount of €2,773 thousand. The estimated amounts and those calculated in the settlement of the plan do not differ significantly. In relation to this incentive plan, the payment of the remaining amount, which amounts to €2,900 thousand of shares, was established in the following two years in accordance with the conditions of the plan, having delivered an amount of €1.507 thousand during the 2024 financial year.

16.5 Distribution of dividends

The group's strategy involves the return of contributions to its shareholders as indicated in section 16.1.

17. Provisions

The movement in the current provisions account in 2024 and 2023 is as follows:

As of December 31, 2024

	Thousands of Euros		
Description	For Taxes	Other Provisions	Total
Balance as of December 31, 2023	**11.407**	**23.102**	**34.509**
Charges	2.174	11.571	**13.745**
Applications	(4.720)	(18.727)	**(23.447)**
Balance as of December 31, 2024	**8.861**	**15.946**	**24.807**

As of December 31, 2023

Description	Thousands of Euros		
	For Taxes	Other Provisions	Total
Balance as of December 31, 2022	**13.779**	**29.096**	**42.875**
Charges	3.718	1.602	**5.320**
Applications	(6.090)	(7.596)	**(13.686)**
Balance as of December 31, 2023	**11.407**	**23.102**	**34.509**

The caption "For Taxes" in the foregoing table includes, mainly, the provisions recognized in relation to the taxes accrued in the period and which, at the reporting dates, have not been settled (mainly property tax).

The caption "Other provisions" includes, mainly, amounts set-aside warranty costs, after-sales expenses, as well as other construction costs not yet incurred. These provisions are recognized at the date of sale of the related products according to the Group's best estimate of the possible consideration required to settle the Group's liability.

During 2024 and 2023, provisions have been charged for after-sales expenses, expenses to be incurred for sales commissions and capital gains derived from the increase in sales for the year (Note 23.5).

The Group assesses, at the end of each financial year, the estimated amounts to meet liabilities for ongoing litigation of this nature, probable or certain, the payment of which is not yet fully determinable as to its exact amount or is uncertain as to the date to be produced, since it depends on the fulfilment of certain conditions, providing, where appropriate, the corresponding provisions. In this regard, as of December 3,1, 2024, there are claims affecting the Group in relation to guarantees, price revisions requested by construction companies or claims for amounts for a total amount of approximately €36,221 thousand (€19,006 thousand as of December 31, 2023). As of December 31, 2024, and in relation to these open litigations, after an in-depth analysis of the claims, a provision for this item in the amount of €3,043 thousand has been recorded in the liabilities of the consolidated balance sheet, corresponding to those considered probable (€4,083 thousand as of December 31, 2023). In the opinion of the Directors of the Parent Company, and its legal and tax advisors, the possible impacts on the Group derived from the rest of the claims would not be significant. In this regard, the Group has an amount of €7,446 thousand (€6,529 thousand as of December 31, 2023) in respect of withholdings made to contractors as a guarantee to cover claims, as well as provisions for guarantees linked to developments delivered that will be used for this purpose in the event of a resolution unfavourable to the interests of the Group (Note 2.4).

18. Bank borrowings and other financial liabilities

18.1 Debts with credit institutions

As of December 31, 2024, and 2023, the details of these headings are as follows:

	Thousands of Euros	
	31.12.2024	31.12.2023
Long-term debts to credit institutions (Note 24):		
Mortgage loans (*)(**)	41.036	163.468
Long-term total	**41.036**	**163.468**
Short-term debts to credit institutions (Note 24):		
Interest payable	1.034	2.845
Mortgage loans (*)	149.762	217.276
Short-term total	**150.796**	**220.121**

(*) Debts with c entities revenue are presented at amortized cost, net of debt formalization expenses in the amount of €4,245 thousands as of December 31, 2024 (€3,503 thousand as of December 31, 2023).

(**)The long-term mortgage loans are those that are linked to the real estate investments of the Group.

The disclosure by maturity of the previous items is as follows:

As of December, 2024

Expected maturities:	31.12.24
2025	114.886
2026	23.904
2027 and following	53.042
Total by maturity	**191.832**

As of December, 2023

Expected maturities:	31.12.23
2024	173.220
2025	109.498
2026	79.084
2027 and following	21.787
Total by maturity	**383.589**

Long-term and short-term bank borrowings

The balance recognized under the heading "Debts to credit institutions – Mortgage loans" in the table above amounting to €190,798 thousand as of December 31, 2024 (€380,744 thousand as of December 31, 2022) corresponds to the amount outstanding for various mortgage loans subscribed by the Group, being found floors in guarantee of their return. These loans accrue a market interest rate and have their last maturity established between years 2025 and 2055.

Certain Group companies are jointly and severally guaranteeing most of these loans (See Appendix I).

Specifically, the Group has contracted 23 new mortgage loans and novations of existing ones during the year 2024 with a limit of €284,514 thousand, of which an amount of €67,177 thousand has been drawn.

As of December 31, 2024, the main mortgage loan drawn down by the Group corresponds to the financing granted by Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (hereinafter "SAREB") whose amortized cost amounts to €10,239 thousand (€23,872 thousand as of December 31, 2023). On 25 March 2021, this loan was novated, its effectiveness and entry into force being subject to the registration in the commercial registry of the merger with Quabit Inmobiliaria, S.A., agreeing to reduce the interest rate payable to 1% once the merger had been effective, and establishing the following repayment schedule:

Expiration	Thousands of euros
July 31, 2024	13.319
July 31, 2025	10.553
Total	**23.872**

Lastly, on 16 December 2021 a mortgage loan that total €100 million was granted by Natixis, S.A. Sucursal en España, Natixis Assurances Investments in Real Assets-Real Estate Compartment, Novo Banco, S.A. Succursal Luxembourg and BNP Paribas European Real Estate Debt Fund II to the Group companies Neinor Península, S.L.U., Neinor Sur, S.A.U., Panglao Investments, S.L.U., Quabit Alovera, S.L.U., Quabit Remate las Cañas, S.L.U., Quabit Cierzo, S.L.U. and Quabit Peñalara, S.L.U., in order to finance the construction costs of developments to be used in the rental business line. As a requisite for execution of the loan agreement, a first-ranking security interest was granted in all the collection rights relating to the bank account opened for the before mentioned financing and in such collection, rights as might arise from some of the contracts related to the construction of the developments. The loan was drawn down during 2023 but later Cancelled on 18 December 2023. The Group cancelled it as well as the associated guarantees, contracting 6 mortgage loans on these developments with the financial institution CaixaBank, S.A. for an amount of €43,500 thousand.

On March 16, 2023, and as a result of the cancellation of the bond issued in 2021 explained below in Note 18.2, the Parent entered into a financing agreement for an amount of €140 million with several financial institutions, which is guaranteed by several companies of the Group. This loan was payable in two identical installments, one in the 2025 financial year and the other in the 2026 financial year and accrued interest at Euribor plus a market margin. Following the Group's advance payment of €35 million in the first half of 2024, the Group has entered into an amending and non-extinguishing novation of this contract, extending its maturity and incorporating an additional lender that covered the amount advanced by the Group at the time of the novation. as well as the extension of the loan by an additional €35 million, amounting to the principal of the loan to €175 million, having complemented this loan with €25 million of loans for land financing. On the other hand, this novation incorporated some additional guarantee from another company in the Group.

However, in 2024, this financing was finally cancelled after applying the funds obtained in a new bond issue in November 2024 to its early cancellation, which is explained below in Note 18.2.

Finally, in November 2024, the group has hired a new line of financing revolving with a limit of up to €40 million, with a pool of banks (JP Morgan, Societe Generale, Banco Santander, S.A., BBVA and Deutsche Bank), guaranteed by Neinor Península, S.L.U., Neinor Sur, S.A.U., Neinor Norte, S.L.U. and Rental Homes Propco, S.L.U. that will be destinated to working capital and general corporate purposes, so what accrual to a Euribor interest rate plus a differential, due until 2030. This financing is subject to compliance with covenants (Note 18.3) although it is not ready at the end of the 2024 financial year.

<u>VAT Lines</u>

On 6 June 2017, the Group signed a factoring agreement with a financial institution with resources for the financing mainly of input VAT in certain land purchase transactions. The contract has a duration of one year, tacitly renewable, and accrues a market interest rate. The limit of the factoring line amounts to 15 million euros, with no balance having been drawn down either as of December 31, 2024 or December 31, 2023. As a guarantee of the repayment of the financing, the amounts owed to it by virtue of the operations carried out will remain.

Reverse factoring, reverse factoring or supplier financing agreements-

The Group has signed supplier financing agreements with various financial institutions by which they offer to pay amounts owed by the Group to its suppliers and agrees to pay in accordance with the terms and conditions of the agreements signed with the suppliers on the same date, even if they are not subject to payment of the amounts owed by the Group to its suppliers, it may in some cases offer the possibility of payment at a later date than the payment is made to the suppliers themselves. Developments are linked to the raising of financing for construction (developer loan), so they are drawn down at the time the payments are registered, and it is not necessary to resort to the extension of the term. Therefore, except for one agreement which is capped at €750 thousand, these agreements do not provide the Group with extended payment terms, although they do provide suppliers with the possibility of benefiting from anticipated payment conditions, compared to the payment due date of the related invoice. The Group has several reverse factoring lines arranged by its suppliers for different promotions in progress for an amount of €10,958 thousand as of December 31, 2024 (classified under the heading "Trade receivables and other accounts payable" of the consolidated balance sheet), with a total limit of €77 million of that date (€11,762 thousand as of December 31, 2023, with a limit of €62 million). The average payment period for invoices under these advance collection agreements does not exceed 60 days.

The reverse factoring lines contracted are subject to the usual early termination clauses relating to the decrease in the creditor's solvency and, in some cases, also in the event of a change in shareholding that leads to a change of control or modified audit opinions.All the loans and credits in force as of December 31, 2024, listed above have been contracted with top-tier financial institutions and are referenced to the Euribor plus market differentials.

The interest rate applicable to the Group, in general terms, is referenced to the Euribor plus a market differential. The average cost of debt calculated for the years 2024 and 2023 amounts to 4,06% and 3,53%, approximately, respectively. If we take into account the derivatives contracted by the Group (Note 12), this average cost of debt would be reduced.

18.2 Other financial liabilities

Guaranteed bonds-

On April 12, 2021, the Board of Directors of the Parent approved the issuance of senior secured bonds maturing in 2026 (although they could be fully or partially redeemed early under certain conditions and assumptions) for a total nominal amount of €300 million, with the bond accruing on the issue date (April 14, 2021) that the bonds will accrue a fixed annual interest rate of 4.5%, payable semi-annually. As of December 31, 2023, the financial expenses associated with the bond amounted to €3,1 million. On 11 April 2021, the issuer and the guarantors signed a revolving credit facility that was subsequently cancelled and also in 2022 and 2023 there were repurchases of Bonds that amounted to €7,354 thousand in 2023 accounted for gross financial income, which are presented net of all the expenses of the decapitalization carried out, which represented a net income of €4,142 thousand recorded under the heading "Financial income" of the Group's consolidated income statement for the 2023 financial year.

In November 2024, the parent company issued new corporate bonds amounting to €325 million, at an interest rate of 5.875%, with interest payable semi-annually, starting on 15 May 2025, and maturing on 15 February 2030, with repurchase options for its part in different periods by paying a cancellation premium (102.938% from 15 November 2026, 101.469% from 15 November 2027 and 100% from 15 November 2028, plus unpaid accrued interest in all cases; before 15 November of 2026 up to 40% of the issue can be cancelled at a price of 105.875% plus accrued interest pending payment provided that certain conditions are met, or all or part of the issue can be repurchased for 100%, plus a premium to be calculated based on the contract (minimum of 1%) and the unpaid accrued interests). In the event of a change of control, bondholders are granted a put option at 101% of the nominal value, plus accrued interest. There are also obligations and restrictions associated with this financing that the group must comply with (see Note 18.3). The credit rating associated with the issuance by Fitch was BB-, so it does not reach investment grade.

The guarantees associated with this bond issue are, in the order of priority established in the contract, the issuer's intergroup receivables, the shares of Neinor Península, S.L.U., the intergroup receivables of Neinor Península, S.L.U., the shares of Neinor Norte, S.L.U., the intergroup receivables of Neinor Norte, S.L.U., the shares of Rental Homes Propco, S.L.U., the intergroup receivables of Rental Homes Propco, S.L.U., the shares of Neinor Sur, S.L.U., and the intergroup receivables of Neinor Sur, S.L.U. The obligations and liabilities of any company incorporated under the laws of Spain that is a limited liability company under the Guarantee Documents shall be limited to a maximum amount equal to twice its net worth (equity) as reflected in the individual annual financial statements of the relevant company incorporated under the laws of Spain that is a limited liability company from (i) for each Warranty created on the Issue Date by a company incorporated under the laws of Spain that is a limited liability company (limited liability company) for the year ended December 31, 2023 or (ii) for each new Guarantee created by a company incorporated under the laws of Spain that is a limited liability company (limited liability company), the latest available annual financial statements of the relevant company incorporated under the laws of Spain that qualifies as a limited liability company.

The Bonds were scheduled to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange (Euronext Dublin). At present the bond issue is listed on the Stuttgart and Frankfurt Stock Exchange (ISIN XS2933536034/XS2933536547). The trading price at the end of the 2024 financial year on the Frankfurt Stock Exchange was 103,355%.

As of December 31, 2024, corporate bonds are recognized at amortized cost of €320,492 thousand (Note 19).

Other-

In addition, this heading of the consolidated balance sheet mainly includes the lease liabilities corresponding to the leased assets held by the Group, whose net book value as of December 31, 2024 amounted to €3,062 thousand (€3,936 thousand as of December 31, 2023), are recognized under the heading "Other financial liabilities" of the current and non-current liabilities of the accompanying consolidated balance sheet for amounts of €3,298 and €146 thousand, respectively (€4,158 thousand and €144 thousand as of December 31, 2023) (Note 19). The expiry dates of the contracts associated with these leases are set from 2025 to 2035.

18.3 Covenants and early maturity clauses associated with financial liabilities

There are several early maturity clauses associated with the external financing subscribed and disposed of by the Group and broken down into the previous sections in force as of December 31, 2024, the most relevant aspects to be considered being those indicated below in summary:

- In case of the revolving credit line not drawn down at the end of 2024 (Note 18.1), there is a commitment to quarterly compliance with the Net Secured Ratio to Value(TV), understood as the ratio between Net Indebtedness to Market Value of the Group's properties, which must be less than 4.5%, with the first closing date for the application of the ratio being June 30, 2025, provided that certain conditions are met as to the representativeness of the loan over the borrower's indebtedness. The contract establishes alternatives in case of default to avoid early maturity. Likewise, the financing contemplates the restriction on the making of certain payments as well as establishes certain conditions for the sale of assets with deferred collection. Finally, the guarantors are required to comply with an annual guaranteed test so that their EBITDA must represent at least 80% of the consolidated EBITDA, calculated annually.

- With respect to financing via November 2024 bonds (Note 18.2), it includes obligations to present certain financial information on a quarterly, half-yearly and annual basis, as well as for the significant subsidiaries thus considered in the financing agreement, as is customary in this type of contract, and there are also restrictions on certain payments, investments, distributions and sale of assets or indebtedness unless certain conditions are met in connection with the volumes or percentages of assets to be calculated financially. Specifically, certain ratios are contemplated to be calculated with respect to any transaction or regulated event subject to approval, in order to measure its effect so that after said transaction (i) the Fixed Charge Coverage Ratio (consolidated EBITDA ratio for the last 4 quarters and the financial burden in the same period) cannot decrease, (ii) the Consolidated Senior Secured Leverage Ratio (the ratio between the bonds issued and the Consolidated EBITDA of the last 4 quarters) cannot increase, (iii) and the Total net Loan to Value ratio should not exceed 35%. There is also, except in certain circumstances, a clause linked to a change of control of the group or its assets which, if applicable, the bondholders may require the buyback for a price equivalent to 101% of the total principal amount of the repurchased Bonds, plus accrued and unpaid interest. Compliance with the above limitations is suspended if the bonds achieve an investment grade rating under the terms defined in the contracts.

- In relation to the factoring contract for the VAT line (Note 18.1), worsening of the coverage ratios (understood as the ratio between Net Financial Debt to EBITDA) and/or leverage (understood as the ratio between Net Financial Debt to Shareholders' Funds) (this is also applicable to the financing agreement entered into in the current year by the Parent) by 15% on those same ratios calculated in accordance with the latest consolidated financial statements and when, in addition, according to market information, there is a deterioration in the Group's situation that casts doubt on the viability of its businesses. Management considers that the financial institution is aware of the Group's current situation.

As of December 31, 2024 and as of the date of preparation of these consolidated financial statements, Neinor Homes, S.A. it has fulfilled its financial and any other obligations, so there are no circumstances that give rise to a situation of early maturity of its financial commitments. Likewise, and in relation to the clauses mentioned above, as well as with respect to the change of control clause that may arise from the early maturity of the bond issue carried out in the 2024 financial year mentioned in section 18.2, as well as some other financial lines, the Administrators of Neinor Homes, S.A. They consider that their existence will not change the classification between short and long term reflected in the consolidated balance sheet as of December 31, 2024.

18.4 Other Information

It includes a reconciliation of the carrying amount of liabilities arising from financing activities, distinguishing separately changes that generate cash flows from those that do not:

As of December, 2024

	31/12/2023	Net cash flows	No Impact of cash-flow			31/12/2024
			Subrogation	Reclassifications	Other	
Debts with credit institutions at l/p	163.468	(120.667)	-	(1.765)	-	41.036
Debts with credit institutions at c/p	220.121	4.638	(108.542)	1.765	32.814	150.796
Other financial liabilities l/p	5.172	325.000	-	-	(7.814)	322.358
Other financial liabilities c/p	5.846	(2.599)	-	-	63.481	66.728
Total liabilities of financing activities	**394.607**	**206.372**	**(108.542)**	**-**	**88.481**	**580.918**

As of December, 2023

	31/12/2022	Net cash flows	No Impact of cash-flow			31/12/2023
			Subrogation	Reclassifications	Other	
Debts with credit institutions at l/p	68.361	140.000	-	(43.484)	(1.409)	163.468
Debts with credit institutions at c/p	128.666	47.956	-	43.484	15	220.121
Other financial liabilities c/p	6.391	(1.219)	-	-	-	5.172
Other financial liabilities l/p	298.261	(292.415)	-	-	-	5.846
Total liabilities of financing activities	**501.679**	**(105.678)**	**-**	**-**	**(1.394)**	**394.607**

19. Other current and non-current liabilities

The disclosure of these headings as of December 31, 2024 and 2023 is as follows:

	Thousands of Euros			
	31.12.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Bonds (Note 18.2)	318.953	1.539	-	-
Lease liabilities (Note 18.2)	3.298	146	4.158	144
Guarantees and deposits received	107	2.717	108	2.813
Active dividend payable (Note 16.1)	-	62.224	-	-
Other financial liabilities	-	102	906	2.889
Other financial liabilities	**322.358**	**66.728**	**5.172**	**5.846**
Remuneration payable	-	9.240	-	8.399
Advances from customers (Note 13)	-	82.804	-	51.690
Other current liabilities	-	**92.044**	-	**60.089**
Gross total	**322.358**	**158.772**	**5.172**	**65.935**

In relation to the balance recorded corresponding to the corporate bond, it is presented at amortized cost, reducing the nominal value of the debit balance associated with the accrual of the expenses related to the issuance of the same by an amount of €7,304 thousand. Likewise, as of December 31, 2024, accrued and unpaid interest amounting to €2,796 thousand is recognized under the heading "Other financial liabilities" of the accompanying consolidated current liabilities.

The heading "Deposits and deposits received" basically includes the amounts paid by the tenants of dwellings as guarantees.

20. Trade creditors and other long-term and short-term payables

Trade receivables and other accounts payable mainly includes amounts outstanding for trade purchases and related costs. As of December 31, 2024, this heading also included an amount of €187 thousand corresponding to the part of the deferred price in relation to the purchase of land (€178 thousand as of December 31, 2023) (Note 13).

Likewise, this heading of current liabilities in the consolidated balance sheet includes an amount of €29,092 thousand as of December 31, 2024 (€35,554 thousand as of December 31, 2023) for with holdings made to contractors as a guarantee.

The carrying amount of trade creditors is close to their fair value.

Information regarding the weighted average payment term to suppliers. Final Provision Two of Law 31/2014 of 3 December

Next it is detailed the information required by the Final Provision Two of Law 31/2014 of 3 December, that has been prepared applying the corresponding rules issued by the Accounting and Auditing Institute at 29 January 2016, which relates to the information to be included in the annual financial statements about weighted average payment term to suppliers.

	Year ended December 31, 2024	Year ended December 31, 2023
	Days	**Days**
Average payment period to suppliers	49	58
Ratio of paid transactions	51	61
Ratio of unpaid transactions	30	38
	Thousands of euros	**Thousands of euros**
Total payments made	276.967	403.243
Total outstanding payments (*)	26.539	44.664

(*) The total outstanding payments for both years do not include the withholdings made to contractors as a sign of guarantees, the accounts payable for the deferred purchases of land, as well as the invoices pending receipt at the end of the year.

For the sole purpose of providing the information provided for in this Resolution, trade creditors for debts with suppliers of goods or services, included in the item "Trade creditors and other accounts payable" of the current liabilities of the consolidated balance sheet, are considered suppliers, not having taken into account the deferred payments described above in these calculations.

"Average Period of Payment to Suppliers" means the period that elapses from the delivery of the goods or the provision of the services by the supplier and the material payment of the transaction.

In addition, in accordance with the provisions of the Third Additional Provision of Law 15/2010, the following is the information relating to the monetary volume and number of invoices paid in a period less than the maximum established in the late payment regulations, and the percentage they represent over the total number of invoices and over the total monetary payments to their suppliers, corresponding to the year ended December 31, 2024:

	2024	2023
Monetary volume (thousands of euros)	171.261	230.381
Percentage of total payments made	62%	57%
Number of invoices	43.026	39.414
Percentage of total invoices	81%	68%

The maximum legal payment term applicable to the Company at the end of 31 December 2024 and 2023, in accordance with Law 11/2013 of 26 July, is 30 days unless the conditions established therein are met, which would allow the maximum payment term to be increased to 60 days. In this regard, and for the purposes of carrying out the calculations detailed above, the Company has considered in all cases a maximum legal payment period of 60 days with its suppliers and creditors.

21. Public Administrations and Tax Situation

21.1 Applicable regulations and consolidated tax group

As indicated in Note 4.13, the Group Companies are taxed under the tax consolidation regime, with two groups, one foral formed by Neinor Homes, S.A. as the parent company and Neinor Norte, S.L.U. as the subsidiary company, and Otror state-owned company formed by Neinor Península, S.L.U. as the parent company and the rest of the Group's companies as subsidiaries with the exception of the companies: Quabit Comunidades, S.L., Parque las Cañas, S.L.U. and Quabit Bonaire, S.L.

Regarding the regional regime, Provincial Law 4/2024, of 27 December, has been approved, approving tax measures in the Historical Territory of Bizkaia for 2024 and 2025 derived from:

- The need to implement the Pillar Two Directive in the financial year 2024; the Complementary Tax is approved by reference to the regulations approved by the State Law. If the appropriate agreement on the Complementary Tax is incorporated into the Economic Agreement, the regulations contained in Law 7/2024, of 20 December, will apply.

- The performance of technical improvements to Corporate Income Tax;

- Give a definitive boost to the regional model of "transfer of tax credits" between taxpayers for cinematographic activities and related to R+D+i.

With regard to the tax group of the common territory, in December 2024 Law 7/2024 was approved, which involves the reintroduction of measures annulled by RD Law 3/2016, for tax periods beginning on or after 1/1/2024 and not concluded at the entry into force:

i. Limit for the application of negative tax bases of 50% and 25% for net turnover of at least 20M and 60M, respectively;

ii. Limitation in the application of the deduction for double taxation to 50% if the net amount of turnover is at least 20M;

iii. Mandatory reversal of impairments deducted from holdings in three tax periods in equal parts: for those who have challenged). Mandatory reversal of impairments on deductible shares in tax periods beginning before 1/1/2013, in three tax periods in equal parts.

iv. The special limits on the compensation of negative tax bases of large companies generated in periods beginning before 1/1/2021, in the amount of income corresponding to this mandatory minimum reversal, will not apply. If a higher amount is reversed in accordance with the provisions of sections 1 and 2 of DT 16 of the LIS, the remaining balance will be integrated, at least, in equal parts in the remaining tax periods.

v. Extension of the deconsolidation of 50% of the negative bases, for the years beginning in 2024 and 2025 (not concluded at the entry into force); with integration in tenths of the 10 years beginning on or after January 1, 2025 and 2026, respectively.

vi. The taxable bases of foundations that are subject to the general regime and taxed in consolidation are excluded from the limitation.

vii. Modification of the capitalization reserve, with effect for financial years beginning on or after 1/1/2025 in certain aspects.

Likewise, on 15 December 2022, the Economic and Financial Affairs Council of the European Union (ECOFIN) finally approved Council Directive (EU) 2022/2523 of 15 December 2022, commonly known as the Pillar Two Directive. This Directive aims to ensure a minimum level of global taxation of 15% for multinational enterprise groups and large national groups with a turnover of more than €750 million. After the adoption of the Directive, Member States were and are obliged to transpose its content and rules into domestic law. At the national level, Law 7/2024, of 20 December, has already been approved, which approves the Minimum Complementary Tax (Pillar Two), which includes, among others, the National Complementary Tax modality. The rule will deploy retroactive effects for tax periods beginning on or after December 31, 2023 for the Primary Complementary Tax and National Complementary Tax modality, so it will be applicable to fiscal years beginning on or after that same date.

For its part, on 30 December 2024, Provincial Law 4/2024, of 27 December, approving tax measures in the Historical Territory of Bizkaia for 2024 and 2025, was published in the Official Gazette of the Historical Territory of Bizkaia, which also approves the application of the new Tax in the same terms as in the Common Territory with regard to this Historical Territory; all this, with a date of entry into force from the publication of the regulations in the respective Official Gazette (December 30, 2024) and, therefore, with effects with regard to the accrual of the Complementary Tax for tax periods beginning on or after December 31, 2023.

The Complementary Tax has been agreed as a direct tax of autonomous regulations in the Joint Commission of the Economic Agreement held on 23 December 2024 and, therefore, the Parliament must proceed to approve the respective Law amending the Law on the Economic Agreement between the State and the Autonomous Community of the Basque Country (CAPV) to introduce the new competence in the Economic Agreement;

Given that the first Complementary Tax would have already been accrued on 31 December 2024, i.e. a few days after the approval of the State Law (Law 7/2024, of 20 December), the proximity of both dates has made it impossible for the Provincial Treasury of Bizkaia to exercise its regulatory capacity in this area. For this reason, regarding the first Complementary Tax accrued on 31 December 2024, Provincial Law 4/2024 approves the Complementary Tax by reference to the regulations approved by the State Law "As long as the appropriate agreement on the Complementary Tax is incorporated into the Economic Agreement, the regulations contained in the before mentioned Law 7/2024 will be applicable, of December 20".

However, paragraph 1(b) of the Third Transitional Provision of Law 7/2024 determines an initial exclusionary phase whereby the supplementary tax will be reduced to zero in the first five years from the first day of the tax year in which the large national group falls within the scope of Law 7/2024 for the first time. In this regard, as defined in Article 6(1) of Law 7/2024, given that Neinor Homes, S.A. is part of a large national group for exceeding €750 million in annual revenue in the consolidated financial statements of its ultimate parent entity in at least two of the four fiscal years immediately preceding the fiscal year examined, the National Complementary Tax referred to in the regulations will be zero in the period of five years from the first day of the fiscal year in which the large national group falls within the scope of application of Pillar Two, that is, on January 1, 2024. Consequently, the loss and gain account for the current financial year 2024 does not include any impact on its current tax expense derived from this regulation.

The large national group to which Neinor Homes, S.A. belongs, has carried out an assessment of the possible impact of Pillar Two, taking into account the before mentioned Law 7/2024, the Community Directive and the administrative application guides published by the OECD. From the analysis carried out, it has been concluded that, once the exclusion period provided for by the Third Transitional Provision of Law 7/2024 has passed, no relevant impact on the Group's financial statements is expected, as a result of the application of the new standard.

In addition, it should be noted that the large national group to which Neinor Homes, S.A., has availed itself of the exception for the recognition of deferred tax assets and liabilities arising from the application of the

Pillar Two rule, in accordance with the amendment of IAS 12 carried out in May 2023 by the IASB, which has been introduced into Spanish accounting regulations through the approval by Law 7/2024 of the Eighth Transitional Provision of Royal Decree 1514/2007, of 16 November, approving the General Accounting Plan and the Seventh Transitional Provision of Royal Decree 1159/2010, of 17 September, approving the Standards for the Preparation of Consolidated Annual Accounts.

It should also be noted that Law 7/2024 provides, in its First Transitional Provision, for a transitional regime of first application for deferred tax assets and liabilities and assets transferred during the transition tax period. As far as this is concerned, the before mentioned provision establishes that the tax rate in each jurisdiction in the transition tax period, understood as the first tax period in which a multinational or national group must apply for the first time in each jurisdiction the provisions of the before mentioned Law 7/2024, and in each of the periods that succeed it, It shall be calculated by taking into account all deferred tax assets and liabilities recorded or disclosed in the financial statements of the constituent entities of the jurisdiction concerned, existing at the beginning of the before mentioned transition period. For the purposes of being able to apply the transitional regime of first application provided for in Law 7/2024, and in particular, for the purposes of taking them into account as adjusted covered taxes for the purposes of determining the effective tax rate of the Spanish jurisdiction calculated in accordance with the rules of the new tax, the value of all deferred tax assets and liabilities is broken down below, recognized or not in the accounts, for the tax attributes (temporary differences, negative tax bases, deductions, etc.) existing at the beginning of the transition tax period, i.e. on 1 January 2024. For the appropriate purposes, the value of the deferred tax assets and liabilities corresponding to temporary differences and other tax attributes are expressed in two ways: on the one hand, it shows what would be the deferred tax asset or liability for Corporate Income Tax purposes, taking into account the tax rate applicable at the end of the 2024 financial year, 28%; and on the other hand, it also shows what would be the deferred tax asset or liability in a possible Pillar Two context, taking into account a tax of 15%.

Based on the above, the Company presents the details of the tax attributes existing at the beginning of the transition tax period, i.e. on 1 January 2024 (amounts expressed in euros) in sections 5 and 6 of this Note 21.

21.2 Fiscal years subject to tax inspection

The Parent Company and the subsidiaries are open to tax inspection the main taxes that are applicable to them. In this regard, Provincial Law 11/2013 establishes that all deductions and taxable bases generated in previous years may be verified without a time limit when they are used in any of the years open to inspection. However, Law 27/2014, of 27 November, limits this verification period to 10 years for the state tax group.

In relation to VAT, the various Group companies opted to be taxed under the special deductible proportion regime provided for in Article 106 of Spanish VAT Law 37/1992, of 28 December (Article 106 of Vizcaya VAT Regulation 7/1994, of 14 December), which states that only the input VAT borne on the acquisition of goods or services used exclusively in the performance of transactions giving rise to the right to deduct the VAT may be deducted in full, that, conversely, the input VAT borne on transactions that do not give rise to any entitlement to deduct the VAT shall not be deductible and that the general deductible proportion rule shall apply to common expenses.

On 28 June 2017, certain Group companies were notified by the tax agency of the commencement of tax audits of the following taxes and periods:

- Value Added Tax of Neinor Península, S.L.U. for the periods 2015 and 2016.
- Corporate Income Tax of Neinor Peninsula, S.L.U. for the period 2015.
- Value Added Tax of Neinor Sur, S.A.U. for the periods 2014, 2015 and 2016.
- Corporate Income Tax of Neinor Sur, S.A.U. for the periods 2012 to 2015.

During the month of January 2019, the Group was notified of definitive sanctioning proceedings concerning the verification actions relating to Neinor Península, S.L.U., having entailed regularizations of the tax liability amounting to €3,272 thousand, as well as penalties and interest for late payment in the amounts of €793 and €417 thousand, all of them registered at the end of the 2018 financial year. Although during the month of February 2019 a contentious administrative appeal was filed against this administrative decision, having granted a guarantee in the amount of €3 million, the Directors of the Parent Company, following the opinion of their internal and external tax advisors, determined the payment of these amounts as probable as there was a firm record in this regard, therefore, as of December 31, 2024 and 2023, this amount remains provisioned under the heading "Creditor general government" of the consolidated balance sheet. On the other hand, during the initial proceedings, penalties amounting to €6,3 million were also revealed, which are not provisioned, because it is considered by the Directors that the administrative appeal filed by the Group in its defense will have, in any case, a favorable result for its interests. This policy is also endorsed by the Group's external tax advisors.

Similarly, in October 2018, inspection reports were signed in accordance with the corporate income tax of Neinor Sur, S.A.U., regularizing the negative tax bases corresponding to the years 2013, 2014 and 2015 for amounts of €426 thousand, €836 thousand and €187 thousand respectively, without having any impact on assets.

On February 17, 2020, a limited verification procedure was initiated by the Regional Inspection Unit of the Special Delegation of Andalusia in relation to the company Neinor Península, S.L.U., for the concept of Corporation Tax, years 2016 and 2017, having signed in July 2020 the certificate of conformity by the representative of the Company, no liabilities are derived.

Furthermore, on 8 February 2012, Quabit Inmobiliaria, S.A. received notification of the commencement of the verification and investigation of corporate income tax for the years 2007 to 2009, value added tax for the years 2008 and 2009 and withholdings on income from work for professionals and from movable capital for the years 2008 and 2009. In March 2013, the assessments relating to the completion of the review process were received. The amount claimed by the tax authorities amounts to €2,171 thousand, corresponding to settlement agreements issued by the Central Delegation for Large Taxpayers of the State Tax Administration Agency (''AEAT'') in March 2013. This amount is broken down into principal (€1.088 thousand), interest (€614 thousand) and a penalty (€469 thousand), which have already been paid at the date of preparation of the accompanying consolidated financial statements. In addition, in its assessments, the AEAT proposed certain corrections to the taxable base for corporate income tax with no effect on the tax payable, as they correspond to periods in which the application of these corrections would not result in a positive taxable base and, therefore, in a payable tax. The proposed increase in the 2008 and 2009 tax bases proposed in the assessments was €6,004 thousand and €7,204 thousand, respectively. The main adjustment item arose from depreciation of goodwill from the merger in 2008 (€5,641 thousand in 2008 and €7,051 thousand in 2009). This difference in depreciation derives from the difference in the quantification of depreciation: €152332 thousand according to the AEAT compared to €293,308 thousand calculated by Quabit Inmobiliaria, S.A. in its income tax settlements. Quabit Inmobiliaria, S.A. submitted pleas to the non-conformity assessments relating to corporate income tax and subsequently lodged an appeal with the Central Economic-Administrative Court (TEAC). In January 2017, Quabit Inmobiliaria, S.A. received a resolution from the TEAC rejecting all the pleas presented in its appeal. In March 2017, Quabit Inmobiliaria, S.A. filed an administrative appeal with the National High Court requesting a stay of the contested order. This suspension has been granted by the Court. Subsequently, on 7 December 2017, Quabit Inmobiliaria, S.A. filed a complaint with the Administrative Litigation Division of the National High Court. In September 2020, Quabit Inmobiliaria, S.A. received notification of the National Court's ruling rejecting all of its pleas. On December 23, 2022, the Group has received notification of rejection decision from the National High Court. On February 1, 2023, the Group has filed an incident of nullity of actions.

The Directors of the Parent Company do not expect that additional material liabilities not covered will be accrued as a result of the review that may occur by the Tax Administration of the years open to inspection.

21.3 Balances held with the Tax Administration

The main debit and credit balances with the Public Administrations are as follows:

	Thousands of Euros							
	31.12.2024				31.12.2023			
	Tax Assets		Tax Liabilities		Tax Assets		Tax Liabilities	
	Non-Running	Currents	Non-Running	Currents	Non-Running	Currents	Non-Running	Currents
Public Treasury for VAT	-	4.779	-	19,559	-	4.505	-	21.210
Public Treasury for Corporation Tax (*)	-	15.658	-	3.683	-	19.068	-	5.270
Public Treasury for Personal Income Tax	-	-	-	3.174	-	14	-	2.865
Public Treasury debtor for subsidies granted	-	-	-	-	-	900	-	-
Creditor Social Security Entities	-	-	-	1,153	-	-	-	1.307
Deferred tax assets (Note 21.7)	92.985	-			105.585	-	-	-
Deferred tax liability (Note 21.7)	-	-	11.428	-	-	-	10.807	-
Total	**92.985**	**20.437**	**11.428**	**27.569**	**105.585**	**24.487**	**10.807**	**30.652**

(*) Includes the outstanding balance corresponding to the tax records appealed and provisioned by the Group amounting to €3,272 thousand (Note 21).

21.4 Reconciliation of accounting and tax results

The reconciliation between the accounting result and the tax expense for the consolidated year is as follows:

<u>As of December 31, 2024</u>

	Thousands of euros			
	Tax regional Group 02117BSC	State Group 5/20	Other Companies (Common Territory) and consolidation adjustments	Total
Profit before tax Profit/ (Loss)	324	90.124	(13.701)	76.747
Permanent differences	(5.002)	(9.262)	-	(14.264)
Temporal differences	(11.224)	(17.229)	10.528	(17.925)
Added prior tax base	**(15.902)**	**63.633**	**(3.173)**	**44.558**
Offsetting negative tax bases	-	(12.004)	-	(12.004)
Tax base	**(15.902)**	**51.629**	**(3.173)**	**32.554**
Tax rate	24%	25%	25%	-
Tax accrued	-	12.907	-	12.907
Activation of Deferred Taxes	(4.662)	(5.747)	(3,195)	(13.604)
Low tax deferred	6.133	5.762	3.106	15.001
Other adjustments for Corporate Income Tax	554	(374)	(130)	50
Corporate tax expense /(Income)	**2.025**	**12.548**	**(219)**	**14.354**

As of December 31, 2023

	Thousands of euros			
	Tax regional Group 02117BSC	State Group 5/20	Other Companies (Common Territory) and consolidation adjustments	Total
Profit before tax Profit/ (Loss)	10.791	116.230	(27.512)	99.509
Permanent differences	33	16.773	-	16.806
Temporal differences	(15.936)	(37.256)	(6.595)	(59.787)
Added prior tax base	**(5.112)**	**95.747**	**(34.107)**	**56.628**
Offsetting negative tax bases	-	(7.083)	-	(7.083)
Tax base	**(5.112)**	**88.664**	**(34.107)**	**49.445**
Tax rate	24%	25%	25%	-
Tax accrued	-	22.166	(8.527)	13.639
Activation of Deferred Taxes	(1.227)	(15.257)	(5.682)	(22.166)
Low tax deferred	3.786	945	11.445	16.176
Other adjustments for Corporate Income Tax	(49)	495	-	496
Corporate tax expense /(Income)	**2.510**	**8.349**	**(2.764)**	**8.145**

The positive permanent differences correspond mainly to the result of the sale of the company Rental Homes NX Propco, S.L.U. (in 2023 the result of the sale of the Sky companies was associated) (Note 2.8)), while the negative permanent differences are related to results from corporate transactions due to the capitalization of loans whose nominal value differed from fair value, and which have no tax effect.

The temporary differences correspond mostly to the application of certain provisions for impairment of inventories and guarantees that were considered non-deductible in previous periods.

Likewise, during the 2024 financial year, payments on account amounting to €10,529 thousand have been made, considering both tax groups.

21.5 Negative tax bases

The disclosure of the taxable bases of the different companies of the Group as of December 31, 2024, is as follows:

Year of generation	Thousands of euros	Expiration
Negative tax bases of other companies (Regional Territory):		
2008 financial year	103.058	2038
2009 financial year	109.220	2039
2010 financial year	99.999	2040
2011 financial year	68.205	2041
2012 financial year	29.622	2042
2016 financial year	54.692	2046
2018 financial year	10.525	2048
2019 financial year	12.066	2049
2020 financial year	46.355	2050
2021 financial year	-	2051
2022 financial year	29.616	2052
2023 financial year	8.849	2053
Subtotal	**572.207**	
Negative tax bases of other companies (Common Territory):		
2006 financial year	855	2036
2007 financial year	2.693	2037
2009 financial year	6.113	2039
2010 financial year	7.509	2040
2011 financial year	8.942	2041
2012 financial year	18.226	2042
2013 financial year	1.731	2043
2014 financial year	167	2044
2025 financial year	1.564	2045
2016 financial year	28.226	2046
2017 financial year	55.739	2047
2018 financial year	29.803	2048
2019 financial year	21.465	2049
2020 financial year	19.469	2050
2021 financial year (until 19 May 2021)	174	2051
Subtotal	**202.676**	
Total	**774.883**	

Of the above total amount corresponding to negative tax bases, an amount of €667,473 thousand corresponds to those that have been generated by the companies before their incorporation into the corresponding tax groups.

In accordance with current regulations, and for the non-expiry negative tax bases detailed in the table above (Common Territory), they may be offset against the positive income of the following tax periods with certain limits of the tax base prior to their offsetting, depending on the turnover with a minimum of one million euros, taking into account the heading " Net turnover" of the Group (see section 21.1). In relation to the negative tax bases with maturity (foral territory) broken down in the previous table, it should be noted that there is an annual limit of 50% on their compensation with the previous tax bases of each year. In the same sense, the negative tax bases pending application that were generated in accordance with regional regulations by companies that have transferred their domicile to the Common Territory, may continue to be applied in the following tax periods in which they are taxed in accordance with the regulations of the Common Territory, in accordance with the quantitative limits, qualitative and temporal established in their birth regulations, which is why they appear with expiration in the previous table (30 years) from their generation.

In determining the tax credits to be recovered by the companies considered individually, the group records those whose recovery it considers to be reasonably assured by obtaining future tax benefits that allow the partial offsetting of the negative tax bases of these companies, considering the limitations quantitative measures for their application established in the regulations, taking into account the expected results of each tax group considering the group's business plan, which are also based on the materialization of the existing capital gains in the assets under development. On the other hand, in relation to other subsidiaries of the Group that have unrecorded tax credits to be recovered outside the tax group to which they belong, it has been taken into account that their operating results are either negative or insignificant, as well as the nature of their assets (there are no tacit capital gains) and, therefore, the obtaining of future profits is not sufficiently proven, leading to the criterion followed so far being maintained and it is considered reasonable not to record additional deferred assets in these companies.

21.6 Deductions

The Group has no deductions pending application as of December 31, 2024. In the 2024 financial year, all the outstanding deductions from the Economic Interest Groupings have been applied (Note 12).

The unrecorded temporary differences amount to €1,869 thousand as of December 31, 2024 and correspond entirely to the State Group 5/20.

21.7 Deferred Taxes on Assets and Liabilities

Under the current tax regulations applicable to the Group's companies, certain temporary differences in assets or liabilities may arise that must be taken into account in the estimation of the corporate income tax base and the corresponding income tax expense. The temporary differences that can be avoided are mainly derived from the different tax and accounting criteria in the allocation of provisions and impairments, as well as the limitation on the deductibility of financial expenses considering the limits applicable in each tax jurisdiction. On the other hand, temporary differences in liabilities are associated with deferred taxation in relation to badwill, capital gains associated with real estate assets and/or deferred capital gains within tax consolidation.

As of December 31, 2024, the tax credits derived from temporary differences, activated negative tax bases are broken down as follows:

Year ended December 31, 2024

	31.12.23	Additions	Reductions	Other movements (*)	31.12.24
Active-					
Temporal differences	58.872	3.823	(6.965)	-	55.730
Negative tax bases	46.713	1.896	-	(11.354)	37.255
Total deferred tax assets	**105.585**	**5.719**	**(6.965)**	**(11.354)**	**92.985**
Passive-					
Temporal differences	10.807	5.558	(4.937)	-	11.428
Total deferred tax liabilities	**10.807**	**5.558**	**(4.937)**	**-**	**11.428**

(*) It corresponds to The quota of the negative tax bases for the years 2019 and 2020 that will be monetized in the short term and that proceed of The favorable resolution by of the Tax Agency following the claim filed by Neinor Sur, S.A.U. as a result of the Judgment of the Constitutional Court dated January 19, 2024 why declared unconstitutional certain measures in Corporation Tax introduced by Royal Decree-Law 3/2016, of 2 December,, and which is recorded under the heading "Public Treasury for corporation tax" in the current assets of the consolidated balance sheet (Note 21.3).

The recoverability of deferred tax assets is carried out at the level of each Tax Group, considering the limitations established in each jurisdiction, as well as certain tax planning strategies for the concentration of future business in companies with higher tax credits.

21.8 Other issues of fiscal relevance

On 30 December 2021, through Law 11/2020, the Spanish State Budget for 2022 was approved, amending the Spanish Income Tax Regulation effective for annual reporting periods beginning on or after 1 January 2022. The most significant change consisted of the 95% limitation of the exemption on dividends and gains governed by Article 21 of the Spanish Income Tax Law. The impact of this measure is estimated to represent a tax rate of 1.25% of the value of the dividend distributed or of the gain generated on the transfer of investments (impact calculated on the basis of the 5% established in the exemption limitation, multiplied by the standard Income Tax rate, 25%).

As a result of the investments made described in Note 12, the Group consolidates for tax purposes with the Economic Interest Groupings described in the before mentioned Note. These Economic Interest Groupings have an income attribution regime and despite the fact that their structure is validly constituted, they are in any case subject to review by the tax authorities and therefore present a certain tax risk. These Economic Interest Groupings have involved an attribution of income amounting to €945 thousand and the application of a deduction of €1,165 thousand. All this has led to a reduction in the account payable with the Tax Administration by an amount of €1,402 thousand.

The Judgment of the Constitutional Court dated 19 January 2024 declared unconstitutional certain measures in Corporate Income Tax introduced by Royal Decree-Law 3/2016 of 2 December, relating to the setting of more severe ceilings for the compensation of negative tax bases, the introduction of a limit on the application of double taxation deductions and the obligation to automatically integrate in the tax base the impairment of Shares that have been deducted in previous years. On 15 January 2024, the Group has submitted a claim for the rectification of the settlements for the years 2018, 2019 and 2020 of the company Neinor Sur, S.A.U. In this regard, the claim filed for an amount of €13,6 million has been provisionally resolved in favour of the Group's interests for the most part and, therefore, the Group will obtain in the short term the monetization of capitalized deferred tax assets in the amount of €11,4 million as a refund, to which are added €1,8 million in default interest. The Group considered the content of the Judgment when estimating Corporate Income Tax for the 2023 financial year. Regarding the estimate of the recovery of tax credits in the future, the Group chose in 2023 to consider a conservative criterion in a scenario of uncertainty in which it was expected that new compensatory measures would be approved by the Government in 2024 on a prospective basis, as has finally turned out.

The Directors of the Parent Company and its internal and external tax advisors do not expect additional material liabilities not covered by liabilities to be accrued as a result of the review that may occur by the Tax Administration of the years open to inspection.

22. Guarantees committed to third parties and other contingent liabilities

At the end of 2024, in addition to what is indicated in Note 18 on mortgage guarantees and constituted pledges, the Group has lent guarantees amounting to €170,068 thousand (€133,078 thousand as of December 31, 2023), of which €64,145 thousand correspond mainly to guarantees delivered to different municipalities to guarantee the development of different developments (€69,852 thousand as of December 31, 2023) and €105,923 thousand with guarantees delivered to customers for advances received (€60,226 thousand as of December 31, 2023), of which €18,554 thousand are guarantees provided by associated companies. In addition, the Directors of the parent company have provided a guarantee of €3 million to the Tax Agency as there is a firm claim regarding the penalty for the tax inspection relating to Neinor Península S.L.U. (Note 21.2).

Likewise, as of December 31, 2024, the Group had guarantees received from suppliers or contractors amounting to €53,495 thousand (€47,988 thousand as of December 31, 2023) to guarantee the perfect construction of the corresponding works. Other suppliers have retained amounts as collateral for their work instead of bank guarantees in favour of the group, as stipulated in their contracts.

The Directors of the Parent Company do not expect liabilities to arise other than those reflected in these consolidated financial statements that may entail an outflow of resources for the Group derived from the before mentioned guarantees.

23. Revenue and expense

23.1 Revenues

The disclosure of the net turnover by item is as follows (Note 6):

	Thousands of Euros	
	31.12.2024	31.12.2023
Development	406.725	426.461
Development - Construction Activities	27.230	15.069
Development – one off transactions (Note 6.2)	8.629	61.531
Coinvestment - Asset Management (Note 24)	6.353	-
Rental – rentals (Note 9)	7.826	7.013
Rental – one off transactions (Note 13)	29.000	79.402
Legacy	930	1.154
Total	**486.693**	**590.630**

The entire net turnover has been realized in Spain.

As of the date of the consolidated balance sheet, the minimum lease fees that the Group has contracted with the different lessees in its capacity as lessor are not significant.

23.2 Staff costs and average staffing

The composition of personnel costs is as follows:

	Thousands of Euros	
	31.12.2024	31.12.2023
Salaries, wages and similar	35.138	35.000
Indemnizations (Notes 4.17 and 6)	660	(546)
Social security	7.276	6.854
Other social expenses	684	582
Total	**43.758**	**41.890**

Under the heading "Salaries, wages and similar" an amount of €5,808 thousand is included in 2024 (€5,770 thousand in 2023) corresponding to incentive plans (Notes 6 and 25).

Likewise, during the 2024 financial year, an amount of €3,082 thousand has been accrued corresponding to staff bonuses, the determination of which is associated with the fulfilment of certain established objectives, and which is pending payment at the end of the year under the heading "Other current liabilities" of the accompanying consolidated balance sheet.

As of December 31, 2024, the average number of people employed by Quabit Construcción, S.A. and Renta Garantizada S.A. is 194.25 and 35.01 respectively (194 and 31, respectively, people at the end of the 2023 financial year employed by Quabit Construcción S.A. and by Renta Garantizada S.A.), with the average number of people employed for the rest of the companies in the Neinor Homes group being 286.74 as of December 31, 2024(282 during the year ended December 31, 2023). The total average workforce in 2024 and 2023 amounts to 516 and 507 people, respectively.

The number of people employed at the end of the 2024 financial year by Quabit Construcción, S.A. and by Renta Garantizada S.A., is 196 and 39 people respectively (198 and 32 people respectively at the end of the 2023 financial year), being the detail of the distribution by categories of the number of people employed at the end of the 2024 and 2023 financial year for the number of companies in the Neinor Homes group, the following:

	31.12.2024			31.12.2023		
	Women	Men	Total	Women	Men	Total
Higher education graduates	95	135	230	92	140	232
Intermediate graduates	79	47	126	35	15	50
Total	**174**	**182**	**356**	**127**	**155**	**282**

As of December 31, 2024, the number of people employed by the Group with a disability greater than or equal to 33% has been 3 (1 employee with a disability greater than or equal to 33% as of December 31, 2023).

23.3 Operating expenses

The disclosure of the balance of this heading in the accompanying consolidated income statement is as follows:

	Thousands of Euros	
	31.12.2024	31.12.2023
Leases and royalties	5.807	5.783
Repairs and Conservation	3.063	2.016
Independent Professional Services	17.932	17.497
Transport	2	1
Insurance premiums	1.665	1.644
Banking services (Note 4.15)	1.216	1.080
Advertising and marketing	3.042	3.069
Supplies	2.024	2.071
Other operating expenses	6.395	6.081
Taxes (Note 17)	3.895	3.429
Other current management costs	1.297	348
Total	**46.338**	**43.019**

The chapter "Services of independent professionals" in the table above includes, mainly, the commissions accrued in the period by real estate agents or other intermediaries in relation to own sales.

23.4 Contribution to profit attributable to the Parent Company

The contribution of each company included in the scope of consolidation to the results of the year ended December 31, 2024 and 2023 attributed to the Parent Company was as follows:

Entity	Thousands of euros	
	31.12.2024	31.12.2023
Global integration (*)		
Parent Company	(14.447)	(11.101)
Neinor Norte, S.L.U.	18.894	16.470
Rental Homes Propco, S.L.U	(12.762)	(18.404)
Rental Homes Holdco, S.L.	-	(1)
Neinor Rental Opco, S.L.U.	(18)	6
Promociones Neinor 3, S.L.U.	4.904	900
Neinor Works, S.L.U.	(492)	423
Promociones Neinor 5, S.L.	419	3.041
Neinor Peninsula, S.L.U.	27.607	57.218
Neinor Sur, S.A.U.	21.737	28.418
Renta Garantizada, S.A.	1.036	451
Neinor Sardes Rental, S.L.U.	1.682	811
Rental Homes NX Propco, S.L.	-	8.198
Europa Rental Homes Propco, S.L.	(906)	2.243
Companies previously dependent on Quabit Inmobiliaria	1.761	2.088
	49.415	**90.761**
Integration by Equity (*)		
Nicrent Residencial, S.L.	4	(53)
Pegasus Holdco, S.L.	(189)	(51)
JV Panoramic DV, S.L.	(75)	(30)
Brick Opportunities 9, S.L.	(30)	-
Waterton Invest, S.L.	(57)	-
Promociones Hábitat, S.A. (fn. 11)	12.941	-
Harmony Holding Iberia, S.L.	(1)	-
	12.593	**(134)**
Total	**62.008**	**90.627**

(*) There are consolidation adjustments as a result of the elimination of dividends received by the Parent by associated companies for an amount of €5,041 thousand and that Correspond with results generated after his acquisition (Note 11), as well as the elimination of certain corporate transactions that were already considered in consolidation reserves from previous years. Finally, there are other Settings of consolidation arising from the application of IFRS 9 and IFRS 16 amounting to 17 thousands of euros as of December 31, 2024 (€326 thousand as of December 31, 2023).

23.5 Change in provisions

The disclosure of the heading "Change in provisions" in the accompanying consolidated income statement is as follows:

	Thousands of euros – Income/ (expense)	
	31.12.2024	31.12.2023
Variation of provisions – Other		
Provision for bad debts (Notes 4.10 and 14)	(2.868)	472
Net provisions for after-sales provisions	(2.859)	1.605
Impairments/Reversals for Other Provisions	433	769
Total change in provisions	**(5.294)**	**2.846**

23.6 Financial income

Financial income in 2024 corresponds mainly to that recognized as a result of the agreement reached as described in Note 14 and whose receivable has materialized through the delivery of a series of floors by the debtor, giving rise to a financial income of €9,996 thousand (Note 6). to the financial income accrued from investments in Economic Interest Groupings amounting to €4,448 thousand (Note 12), among others.

24. Related Party Transactions

"Related parties" to the Group are considered to be, in addition to subsidiaries, associates and multi-group entities, shareholders with significant influence, the "key personnel" of the Management of the Parent Company (members of its Board of Directors and the Directors, together with their close family members), as well as entities over which the key personnel of the Management may exercise significant influence or have control or be influenced by them. Specifically, situations of linkage are understood to be transactions carried out with agents external to the Group, but with which there is a relationship according to the definitions and criteria derived from the provisions of the Ministry of Economy and Finance in its order EHA 3050/2004, of 15 September and of the National Securities Market Commission in its Circular 1/2005. of 1 April. In application of the before mentioned criteria, the financial institution Banco de Santander, S.A. due to the existing relationship between a senior manager and director of the banking group with one of its administrators. In addition, according to the definitions and criteria derived from these provisions, Orion V European 24, S.À.R.L., 1810 Capital Investments, S.L., Global Hespérides, S.L., Rayet Medio Ambiente, S.L., Grupo Rayet, S.A., Sistemas Integrales Calificados, S.L., UTE I-15 Alovera, Global Henares, S.L., Editorial Nueva Alcarria, S.A., S.A.R.L., Ablanquejo, S.L., Restablo Inversiones, S.L. and Fincas Cuevas Minadas, S.L., due to their relationship with the directors of the Parent Company.

FY2024	Thousands of Euros					
	Revenue			Expense		
	Net Turnover (Note 23.1)		Financial income	Cost of Sales – Procurement	Operating expenses (Note 23.3)	Financial expenses (Note 18)
	Sales	Provision of services				
Associated companies						
Nicrent Residencial, S.L.	-	134	76	-	-	-
Programa de Actuación Baleares, S.L.	-	-	9	-	-	-
Waterton Invest, S.L.	-	420	520	-	-	-
Pegasus Holdco, S.L.	-	374	101	-	-	-
JV Panoramic, S.L.	-	229	66	-	-	-
Brick Opportunities 9, S.L.	-	15	-	-	-	-
Promociones Habitat, S.A.	-	5.181	-	-	-	-
Total associates	**-**	**6.353**	**772**	**-**	**-**	**-**
Other related companies-						
Banco Santander, S.A.	329	-	3.007	-	322	5.436
Global Hespérides, S.L.	-	112	-	-	-	-
Rayet Medio Ambiente, S.L.	-	-	-	1.161	-	-
UTE I-15 Alovera	3.275	-	-	1.775	-	-
Sistemas Integrales Calificados, S.L.	-	-	-	-	305	-
Finca Cuevas Minadas, S.L.	-	-	-	-	5	-
Ablanquejo, S.L.	-	-	-	-	600	-
Editorial Nueva Alcarria, S.L.	-	-	-	-	6	-
Global Henares, S.L.	-	-	-	-	1	-
Landcompany 2020, S.L.	11.721	-	-	-	-	-
Havas Media Group	-	-	-	-	70	-
Total linked	**15.325**	**112**	**3.007**	**2.936**	**1.309**	**5.436**
Total	**15.325**	**6.465**	**3.779**	**2.936**	**1.309**	**5.436**

FY2023	Thousands of Euros					
	Revenue			Expense		
	Net Turnover (Note 23.1)		Financial income	Cost of Sales – Procurement	Operating expenses (Note 23.3)	Financial expenses (Note 18)
	Sales	Provisiono f services				
Associated companies						
Nicrent Residencial, S.L.	-	27	69	-	-	-
Pegasus Holdco, S.L.	-	307	7	-	-	-
JV Panoramic, S.L.	50.900	-	-	-	-	-
Total associates	**50.900**	**334**	**76**	-	-	-
Other related companies-						
Banco Santander, S.A.	-	-	354	927	92	7.926
Global Hespérides, S.L.	-	94	-	-	-	-
Rayet Medio Ambiente, S.L.	-	-	-	26	-	-
UTE I-15 Alovera	8.366	-	25	7.689	-	-
Ablanquejo, S.L.	-	-	-	-	1.330	-
Sistemas integrales Calificados, S.L.	-	-	-	-	349	-
Total linked	**8.366**	**94**	**379**	**8.642**	**1.771**	**7.926**
Total	**59.266**	**428**	**455**	**8.642**	**1.771**	**7.926**

The disclosure of the main operations carried out in the financial year 2024 and 2023 is as follows:

- Formalization of an investment agreement with a significant shareholder of the Group (Note 16.1).
- The financial expenses arising from various loan and credit policies, reverse factoring and corporate bond issuance with the related financial institution and,
- The provision of services due to the existence of real estate development contracts between the Parent and companies in which there is significant influence within the framework of the co-investment strategy launched by the Group in 2023 (Note 2.8).

The transactions with related parties have been carried out under market conditions. There are no commitments or guarantees with related entities, in addition to those previously detailed in this Note or in Note 18 in relation to financial debt.

The balances held with companies related to the Group as of December 31, 2024 and 2023 are shown below:

As of december 31, 2024

Thousands of euros	Cash and other cash equivalents	Long-term debts with credit institutions	Short-term debts with credit institutions	Other short-term financial liabilities	Other long-term financial assets	Other short-term financial assets	Accounts Payable	Accounts receivable (Note 14)	Advances to suppliers
Associated companies									
Baleares, S.L. (*)	-	-	-	-	-	7.227	-	9	-
Nicrent Residencial, S.L.	-	-	-	-	-	1.739	-	78	-
Masía del Monte Sano, S.L. (*)	-	-	-	78	-	-	-	-	-
Waterton Invest, S.L.	-	-	-	-	-	13.632	-	108	-
Pegasus Holdco, S.L.	-	-	-	-	3.252	-	-	510	-
JV Panoramic, S.L.	-	-	-	-	1.123	-	-	633	-
Harmony Holding Iberia, S.L.	-	-	-	-	-	-	-	6	-
Promociones Habitat, S.A.	-	-	-	-	-	-	13	6.633	-
Total associates	**-**	**-**	**-**	**78**	**4.375**	**22.598**	**13**	**7.977**	**-**
Other companies									
Linked-									
Banco Santander, S.A.	250.428	-	32.164	-	-	10	-	-	-
Global Hespérides, S.L.	-	-	-	-	-	-	31	40	-
Grupo Rayet, S.A.					531				
Rayet Medio Ambiente, S.L.	-	-	-	403	435	-	158	-	-
UTE I-15 Alovera (Note 14)	-	-	-	200	-	-	-	7.618	1.864
Restablo Inversiones, S.L.	-	-	-	-	-	-	-	6	-
Sistemas Integrales Calificados, S.L.	-	-	-	-	-	-	36	-	-
Finca Cuevas Minadas, S.L.	-	-	-	-	-	-	3	1	-
Ablanquejo, S.L.	-	-	-	-	-	-	61	-	-
Landcompany 2020, S.L.	-	-	-	-	-	-	-	2.243	-
Total linked	**250.428**	**-**	**32.164**	**603**	**966**	**10**	**289**	**9.908**	**1.864**
Total	**250.428**	**-**	**32.164**	**681**	**5.341**	**22.608**	**302**	**17.885**	**1.864**

(*) As a result of the business combination with Quabit in 2021, the Group holds stakes in Alboraya Marina Nova, S.L., Baleares, S.L. and Masia del Monte Sano, S.L. Action Program with a total cost of €596 thousand as of December 31, 2024 (Note 11 and Appendix I).

<u>As of december 31, 2023</u>

Thousands of euros	Cash and other cash equivalents	Long-term debts with credit institutions	Short-term debts with credit institutions	Other short-term financial liabilities	Other long-term financial assets	Other short-term financial assets	Accounts Payable	Accounts receivable (Note. 14)	Advances to suppliers
Associated companies									
Baleares, S.L. (*)	-	-	-	-	-	7.217	-	9	-
Masía del Monte Sano, S.L. (*)	-	-	-	78	-	-	-	-	-
Nicrent Residencial, S.L.	-	-	-	-	-	1.721	-	32	-
Pegasus Holdco, S.L.	-	-	-	215	1.652	-	-	375	-
JV Panoramic, S.L.	-	-	-	-	1.057	-	227	2.261	-
Total associates	**-**	**-**	**-**	**293**	**2.709**	**8.938**	**227**	**2.677**	**-**
Other companies									
Linked-									
Banco Santander, S.A.	85.605	50.000	33.367	-	-	10	-	-	-
Global Hespérides, S.L.	-	-	-	976	-	-	5	21	-
Restablo Inversiones, S.L.	-	-	-	-	-	6	-	-	-
Global Henares	-	-	-	-	-	-	13	-	-
Grupo Rayet, S.A.	-	-	-	18	531	-	152	2	-
Rayet Medio Ambiente, S.L.	-	-	-	-	515	129	4	-	-
UTE 15-ALOVERA (Note 14)	37	-	-	-	-	400	260	6.802	1.864
Editorial Nueva Alcarria, S.L.	-	-	-	-	-	-	3	-	-
Ablanquejo, S.L.	-	-	-	-	-	-	61	-	-
Fincas Cuevas Minadas, S.L.	-	-	-	-	-	-	3	1	-
Total linked	**85.642**	**50.000**	**33.367**	**1.000**	**1.046**	**545**	**501**	**6.826**	**1.864**
Total	**85.642**	**50.000**	**33.367**	**1.293**	**3.755**	**9.483**	**728**	**9.503**	**1.864**

(*) As a result of the business combination, the Group holds stakes in Alboraya Marina Nova, S.L. and Programa de Actuacion de Baleares, S.L. and Masia del Monte Sano, S.L., with a total cost of €628 thousand as of December 31, 2023 (Note 11 and Appendix I).

During the month of May 2021, Grupo Neinor Homes, in alliance with Grupo Cevasa, were awarded the tender promoted by the public company Habitatge Metròpolis Barcelona, S.A. (50% owned by the Barcelona Metropolitan Area and the other 50% by Barcelona City Council) for the construction and subsequent rental management of a stock of 4,500 homes with some public protection regime in the area metropolitan of Barcelona. In this regard, on June 9, 2021, Neinor Homes, S.A. and Compañía Española de Viviendas en Alquiler, S.A. (in anagram "Cevasa") constituted, jointly and 50%, the company Nicrent Residencial, S.L. with an initial share capital of €3 thousand, having been made in November 2021 through Nicrent Residencial, S.L. a monetary contribution of €12 million to Habitatge Metròpolis Barcelona, S.A. (proportionally between Neinor Homes, S.A. and Cevasa), obtaining in consideration a 50% stake in its share capital. According to the tender, Nicrent Residencial, S.L. is also committed to make, for an estimated period of 1 to 5 years, successive contributions that will total, together with the initial contribution mentioned above, an amount that is between a minimum of 58 million euros and a maximum of 104 million euros, approximately. For their part, the public shareholders of Habitatge Metròpolis Barcelona, S.A. will contribute to this company the land required for the construction of these homes and will make the necessary monetary contributions so that their 50% stake is not altered. From its entry into the share capital of Habitatge Metròpolis Barcelona, S.A., Nicrent Residencial, S.L. will be in charge of the administrative and asset management of Habitatge Metròpolis Barcelona, S.A., which will involve, among others, the management of the construction and development of the land of this company and the management of the rental of the housing stock. obtaining a market remuneration for it. During the 2024 financial year, the first phase of housing construction has begun, and, in January 2025, the second phase has already begun.

In addition, as detailed in Note 2.8, the Group has entered into several co-investment agreements with other parties for the incorporation of companies and in different percentages, with various modes of financing arising from the shareholders' agreements that give rise to the debt positions reflected in the table above.

25. Legal information relating to the Board of Directors and Senior Management

Information in relation to situations of conflict of interest by the Directors

During the years ended December 31, 2024 and 2023, the current and former Directors of the Parent Company have not carried out transactions with the Parent Company, or with companies of the Group to which it belongs, outside ordinary traffic or under conditions other than those of the market.

In addition, during 2023 the Parent Company reached a co-investment agreement with Orion Capital Managers, which is the company that maintains control of Orion European Real Estate Fund V, SPV, which holds 29.52% of the Group's voting rights (Notes 16 and 24). In this regard, two of the directors of the Parent Company hold positions in their shareholder and therefore, the Group has classified the existence of a conflict of interest. In this regard, the purpose of the operation is the joint investment and subsequent management of an investment vehicle called Pegasus Holdco, S.L. for the development of an asset portfolio. The asset management contract was executed based on the principle of equal treatment and for the benefit of the Group, following the regulations established in art. 529 in the application of the sections of the Consolidated Text of the Capital Companies Act (Notes 2.8 and 24).

Likewise, during the 2024 financial year, and in the previous year, apart from the before mentioned management contract with Pegasus Holdco, S.L., the members of the Board of Directors of the Parent Company, as well as certain persons related to them as defined in the Capital Companies Act, have not maintained relations with other companies whose activity could represent a conflict of interest for them or for the Parent Company, and no communication has been made to the competent bodies in the sense indicated in Article 229, which is why these consolidated financial statements do not include further disclosures in this regard.

Remuneration and other benefits to the Board of Directors

As of December 31, 2024, the Directors of the Parent Company, including those who simultaneously have the status of members of the Senior Management (1 person as of December 31, 202, 4 and 1 as of December 31, 2023), have received a fixed and variable remuneration in the amount of €2,668 thousand (€2,462 thousand for other remuneration as of December 31, 2023).

The companies related to them have lent to the Group and invoiced the amounts indicated in Note 24.

The Parent Company has taken out civil liability insurance for Directors and Senior Executives, the cost of which in the 2024 financial year amounts to €104 thousand (€125 thousand in the 2023 financial year).

The Parent Company has no pension obligations or any other commitments with respect to the current and former members of its Board of Directors, except for the incentive plans explained in Note 16.4 to the Executive Director.

The Parent has not granted advances, credits or guarantees in favour of the current and former members of the Board of Directors.

Remuneration and other benefits to Senior Management

During the financial years ended December 31, 2024 and 2023, the remuneration accrued by the members of the Senior Management of the Parent Company and persons performing similar functions, excluding those who simultaneously hold the status of members of the Board of Directors (1 person as of December 31, 2024 and 1 person as of December 31, 2023), It can be summarized as follows:

Number of People		Thousands of Euros					
		31.12.2024			31.12.2023		
31.12.2024	31.12.2023	Fixed and Variable wages	Other incentives (Note 4.21)	Total	Fixed and Variable wages	Other incentives (Note 4.21)	Total
12	6	4.616	3.621	8.237	3.259	3.322	6.581

The Parent Company has no pension obligations and has not granted advances, credits or guarantees with respect to the members of Senior Management, except as indicated in Note 16.4.

In addition, the contracts of some of the Group's executives include post-contractual non-compete payments in the event of termination of the contracts, although it is estimated that these commitments are not significant in relation to these financial statements.

26. Remuneration of auditors

During the years 2024 and 2023, the amounts received by the auditor of the group's consolidated financial statements, Deloitte Auditores, S.L., or by any company belonging to the same network in accordance with the regulations governing the activity of auditing of accounts have been as described below.

The fees related to account audit services corresponding to the year ended December 31, 2024 of the different companies that make up the Neinor Homes Group, subsidiaries and associated companies provided by the main auditor and entities related to it, have amounted to €281 thousand (€237 thousand as of the year ended December 31, 2023). Likewise, the fees related to verification services and other services provided by the auditor and network entities for the year ended December 31, 2024 amounted to €197 thousand (€50 thousand in 2023).

27. Environmental information

Since its inception in 2015, Neinor Homes has demonstrated a strong commitment to the environment and the communities in which it operates. Recognizing the fundamental role, it plays as a real estate developer in local society, the company promotes respect for the environment, setting objectives to reduce the environmental impact associated with the entire value chain of its business activity.

In 2024, Neinor Homes has continued to strengthen its commitment to sustainability and environmental management, which began in 2021 with the updating and development of its Sustainability Policy, the formation of a Sustainability Committee of which the CEO is a member among other members of senior management, and the preparation of its 2022-2025 Sustainability Plan. This Plan deepens the company's sustainable values, formalizes its commitment to sustainability and establishes specific objectives in the short and medium term. The Sustainability Plan was reviewed and updated in 2023 and can be consulted in section 3 of the Non-Financial Information Report.

The nature of Neinor Homes' development activity implies the assessment and, where appropriate, mitigation of the risks inherent in the transition to a low-emission economy, such as those related to the physical impacts of climate change. In the 2024 financial year, the company has focused on the review and development of climate change risks and global ESG areas through the double materiality analysis carried out, for which it has analyzed the impacts, risks and opportunities arising from different environmental, social and governance issues and sub-themes defined by the ESRS 1 standard of the CSRD. in order not only to reassess the materiality of these risks, but also to be prepared for the mandatory reporting under the CSRD regulations that the company must make.

This preliminary double materiality analysis has been used to consider the latest market trends, the review of regulatory and environmental disclosure frameworks, and the expectations of stakeholders, who have had the opportunity to evaluate sustainability issues and express their opinion on possible issues not considered. Among the regulations and disclosure frameworks, the TCFD recommendations and Law 7/2021, of 20 May, on climate change and energy transition, for the identification and assessment of both physical and transition risks, stand out. In addition, the criteria of the main rating agencies, such as MSCI and S&P Global, as well as Neinor Homes' contribution to the United Nations Sustainable Development Goals (SDGs) have been considered, allowing the identification of material issues that have an impact on long-term sustainability.

The aim of the revision of the sustainability plan is to reorient the company's strategy in terms of sustainability, aligning its efforts and prioritizing those objectives that are more material and have the greatest impact on its social and environmental environment. In this next stage, the company wants to direct its steps towards those issues of greater importance, avoiding greenwashing, generating a real impact on people and the environment, focusing on the greatest challenges for the real estate sector, such as accessibility to housing, the reduction of emissions, or measures to make the buildings that are built increasingly energy efficient.

Among the issues of greatest importance for the company and that will mark the lines of action in terms of sustainability, the following stand out:

- **Increase alignment with the European Taxonomy.** One of the main strategic objectives of Neinor Homes' Sustainability Plan is to increase the proportion of developments or completed homes aligned with the European Taxonomy each year, as we believe that the fact that a building is aligned with the Taxonomy is the best indicator that the building is environmentally sustainable.

  In addition, the company has committed to ensuring that all developments for lease operation completed in each year comply with the requirements established by taxonomy, since the company plans, designs and builds these developments by implementing measures so that they comply with all the alignment criteria. In the last three years, the company has fulfilled this commitment in its developments aimed at the Rental business line.

  Neinor Homes was the first company in the real estate sector to publish eligibility and alignment data with the European Taxonomy in the 2022 financial year. The ratios of alignment with the taxonomy are shown below, showing how the objective of increasing alignment year by year is being met.

	2024	2023
% of promotions completed in the year aligned	63%	47%
% of homes completed in the year aligned	75%	46%
% of Turnover as of December 31 aligned	66%	32%
% of CAPEX as of December 31 aligned	37%	30%
% of OPEX as of December 31 aligned	77%	24%

For more information on the European Taxonomy and the methods of calculating these ratios, please refer to point 11 of the Non-Financial Information Report.

- **Efficient homes**, with actions focused on achieving efficient management of environmental resources by home buyers once they live in them, with two main objectives: on the one hand, that at least 70% of the new homes delivered by the company have energy certification A, which will be at least B by regulation in the rest of the homes; and on the other hand, to implement a set of measures that allow water consumption to be reduced in each home and in each development at the community level.

  The company is currently meeting this objective of the Strategic Sustainability Plan, in which more than 70% of the homes launched in 2024 have an A certification. On a cumulative level, 53% of Neinor Homes' developments have a BA/BB Energy Certificate and 34% have an AA Energy Certificate, a figure that will increase as more homes with a better energy certification are completed.

- **Life Cycle and Carbon Footprint Analysis.**

  - Neinor Homes, in line with its sustainability strategy, has been analyzing the carbon footprint of its developments since 2021. At the end of 2022, it submitted its emissions reduction targets to the Science Based Targets initiative (SBTi), committing to reduce its scope 1 and 2 emissions by 42% by 2023. Neinor Homes follows the recommendations of the GHG Protocol, to annually review the calculation methodology, the available data and the organization's changes to guarantee a complete carbon footprint (scopes 1, 2 and 3), and as close as possible to the company's reality. The company calculates the carbon footprint from different perspectives. In this exercise, measurements have been made on emissions taking into account all the homes delivered, measurements have also been made considering all the developments completed in the year, regardless of their sale or delivery and finally these emissions have been measured taking into account the life cycle analysis (LCA) of the developments.

  - In this sense and in line with the SBTI objective, Neinor Homes has a firm commitment to reducing scope 3 emissions, which accounts for more than 99% of the company's emissions. Its two main sources are the purchase of products and services, and the use of the products sold. In this sense, Neinor Homes considers it essential to integrate all its suppliers into these commitments and is making progress in different agreements for the integration of low-emission materials in its works. (See alliances and agreements in the Non-Financial Information Report), and work is also being done on the design and structure of the promotions, taking into account the emissions they cause.

  - In 2024, Neinor Homes has continued to carry out a Life Cycle Analysis on all completed developments to measure their environmental impact. All phases of the life cycle of a development are evaluated, from the investment phase to the subsequent habitability of the homes.

- The company's total carbon emissions are shown below, considering for the calculation of the Scope 3 Footprint those developments completed throughout the year. As mentioned above, scope 3 emissions, those originating from the use of its products sold and, in the manufacture, and transport of the products purchased, accounted for 99.84% of the company's total emissions in 2024. The company fulfills its purpose of reducing its scope 1 and 2 emissions annually:

Carbon footprint in tonnes*	FY2024	Tons	% s/Total
254.700	Scope 1	220	0,09%
	Scope 2	185	0,07%
	Scope 3	254.295	99,84%
		254.700	

**For more information, see section 8.2 of the non-financial information report.*

- **Circular economy**, focused on reducing consumption and waste, through the recovery of at least 80% of the waste generated in the works carried out by the company, and the promotion of the recycling of waste generated in homes once they are inhabited, inhabiting spaces for this purpose in all developments.

  In this sense, Neinor Homes has made great progress in alliances and agreements with large suppliers of raw materials for the recycling of construction material. (Details of the agreements reached can be consulted in sections 8.2 and 8.3 of the Non-Financial Information Report)

- **To promote the expansion of the supply of accessible and quality housing**, thus generating a positive social impact by alleviating one of the greatest problems for Spanish society today, such as the lack of access to housing, due to a strong imbalance between supply and growing demand. The company has set a specific objective that at least 30% of its homes deeded / in progress / or in project are of public protection or have an economic accessibility significantly higher than the average of the large urban centers of housing demand.

  In 2024, this goal was achieved, which is concluded through three ways:

  - **Subsidized housing.** Neinor Homes has demonstrated its commitment to the construction of homes for groups with difficulty in accessing housing through its line of business in the promotion of subsidized housing. During 2024, 177 subsidized homes with an appraised price (VPT) at an average price of €138,000 have been delivered in the province of Guadalajara and there are another 472 in the construction phase and 344 in the design and production phases.

  - **Public-private collaboration**. The company has carried out a public-private collaboration, Habitatge Metròpolis Barcelona (HMB), in partnership with the Barcelona Metropolitan Area (AMB), Barcelona City Council and Cevasa, for the promotion and management of more than 4,500 affordable rental homes in Barcelona and its metropolitan area.

    Currently, four developments that total 296 homes are under construction, to which another five developments will be added between the first and second quarters of 2025, thus reaching a total of 688 homes under construction.

    In addition, significant progress is being made in the launch of the developments corresponding to Phase 2, with a volume of 661 homes and the analysis of the future phases of the project is beginning in parallel.

- **Affordable housing.** In addition to its expertise in building subsidized housing, Neinor Homes has created a new product line, called Neinor Essential. This line is exclusively intended to offer free housing at affordable prices, becoming the first real estate development company to do so. With this objective, it seeks to bring the quality and services it offers to a wider audience, regardless of their economic situation. During 2024, Neinor Homes has delivered 258 free-standing homes with a price below €200,000 (with an average price of €167,000), and there are 96 under construction and 109 in the pipeline.

- **To continue measuring the social impact of the company's activity**, something that Neinor Homes has been doing since 2022, through the innovative project to develop its own measurement framework, which measures the impacts generated by the company's development activity in aspects such as the increase in supply, accessibility to basic services, the generation of employment, sustainable mobility or urban regeneration through the payment of fees and taxes to the municipalities where it operates (See section 5.4 of the Non-Financial Information Report).

- **Maximize physical security in company promotions.** Neinor Homes has improved for the tenth consecutive year in terms of its accident and accident rates, and has managed to have much lower incidence, frequency and severity ratios in 2024 compared to the averages of the real estate sector (See point 10.4 of the Non-Financial Information Report).

For more detail, our Sustainability Plan is published on the corporate website and the update of the Plan made last year in the Non-Financial Information Report.

Sustainable financing

As part of its commitment to sustainability, Neinor Homes promotes the use of sustainable financing, which in the development activity is mainly linked to the development of sustainable and energy-efficient projects, which promote the use of materials, designs, technologies and construction processes that are respectful of the environment and people, also improving the quality of life of the occupants.

In March 2021, Neinor Homes published its first sustainable financing framework (with DNV's independent third-party opinion) and also issued its first green bond, fully justifying green asset investments made in the first year after its issuance, corroborated by an independent external auditor. This green bond was repaid voluntarily and early in April 2023.

In 2024, the Sustainable Finance Framework was updated to reflect stricter eligibility criteria for green assets and greater transparency in terms of alignment with the EU Taxonomy.

In October 2024, the company's second green bond issuance, for an amount of €325 million and maturing in 2030, was successfully completed, committing to invest an amount equivalent to 100% of the proceeds in Eligible Green Projects, i.e. aligned with the Substantial Contribution Criteria of the European Taxonomy for Green Buildings, and/or with social objectives by increasing the supply of both rental and sale in a market where there is a structural deficit of housing, in particular affordable and social housing.

Neinor Homes also has other forms of sustainable financing, such as Green Developer Loans, through which the company is currently financing most of its new real estate development projects. Green Developer Loans are considered to be those granted by banks that finance the development of sustainable buildings, and which generally have discounts on the interest rate compared to other forms of financing.

The disclosure of the composition of the company's debt portfolio, considering which financing is green within the total, is as follows:

(million €)	Signed/Limit	Amount Drawn
Green bond	325.000	325.000
Green Developer Loans	311.486	95.391
Green Financing - Total	**636.486**	**420.391**
Other financing	131.227	68.795
Financing - Total	**767.713**	**489.186**

Neinor Homes' objective is not to be a leader in sustainability, but a benchmark that facilitates the improvement of the sector in this area and the competition for the best practices in terms of Sustainability, which ensure a transition of real estate development towards sustainable development.

28. Risk exposure

The Group manages its capital to ensure that the Group's companies will be able to continue as profitable businesses while maximizing the return of partners through the balance of debt and equity. In this regard, the Group's long-term objective is not to exceed leverage of between 20% and 30% for the Loan-to-Value (LTV) ratio, which in turn will allow it to comply with the covenants determined in relation to its financial debt (Note 18).

The management of the Group's financial risks is centralized in the Corporate Finance Department, which has established the necessary mechanisms to control exposure to credit and liquidity risks, as well as, to a lesser extent, to the risk of variations in interest rates. The following are the main financial risks to which the patient is exposed:

Liquidity risk: refers to the risk of the Group's eventual inability to meet payments already committed, and/or commitments arising from new investments.

Market Risk:

1. Interest rate risks: refers to the impact that the income statement may have under its heading of financial expenses as a result of a rise in interest rates.

2. Credit risk: refers to the impact that the failure of accounts receivable may have on the profit and loss account.

Below, we mention the control systems established to mitigate these risks:

Liquidity risk

The Group determines cash requirements using a cash budget. With this tool, cash flow needs are identified in terms of amount and time, and new financing needs are planned.

The Group maintains a liquidity policy consisting of the contracting of credit facilities and temporary financial investments for an amount sufficient to support the expected needs for a period that is in line with the situation and expectations of the debt and capital markets.

The amount of VAT lines not drawn down as of December 31, 2024 and 2023 amounts to €15 million, respectively (Note 18.1).

The Group's cash position amounted to €368,430 thousand as of December 31, 2024 (€188,360 thousand as of December 31, 2023), of which €33,335 thousand (€22,249 thousand as of December 31, 2023) can only be drawn down for the services arising from the construction of the developments. as set out in Note 15.

The Directors of the Parent are confident that sufficient resources will be available to meet cash needs in the future, and it should also be considered that the figure for current liabilities at the end of 2024, with an estimated maturity of more than twelve months, amounts to €137,194 thousand (Note 4.20). In this sense, the treasury is managed at the level of the Neinor Homes Group, so that there are no cash flow tensions in the operating subsidiaries and that they can normally develop their real estate developments that are expected to be financed with external financing.

Market risk

Interest rate risk

Changes in interest rates change the fair value of assets and liabilities that accrue a fixed interest rate, as well as the future flows of assets and liabilities referenced to a variable interest rate.

In accordance with the financial structure described in Note 18, the Group is exposed to the risk of interest rate volatility, although this has been reduced by the contracting of fixed-rate corporate bonds (Notes 18 and 19), assuming a variation in the Group's financial expenses of +/- €2,3 million, approximately, the effect of raising awareness +/- 1% of the interest rate applicable to the Group's current financial debt and in relation to the figures corresponding to the 2023 financial year (+/- €2,9 million in the 2023 financial year) (Note 18).

In addition, during the 2023 financial year, the Parent entered into two derivatives with a CAP of 2% to hedge interest rate risk. During the 2023 financial year, these derivatives were amended to accommodate a third derivative contract (Note 12).

Credit risk

The Group does not have a significant credit risk with third parties derived from its own real estate activity, since it collects practically all of its sales at the time of the deed, either by subrogation of the buyer in the part that corresponds to him of the developer loan or by another method other than the buyer's choice. The credit risk arising from payment deferrals in transactions involving the sale of land or completed buildings is mitigated by obtaining guarantees from the buyer.

In general, the Group maintains its cash and equivalent liquid assets in financial institutions with a high credit level.

29. Subsequent events

On January 24, 2025, the Group distributed a dividend of €62.224 thousand through a share capital reduction, through the reduction of the nominal value of the shares by €0,813 per share (see Note 16.1).

As of January 10, 2025, the Group has announced its intention to initiate a collective redundancy procedure (ERE) within the parent company to adjust its workforce structure to the reality of its business activity, operational needs, and strategic objectives. This decision is based on objective economic, productive, and organizational reasons following the acquisition of Promociones Habitat, S.A. and the integration of its workforce. As of the date of preparation of these consolidated annual accounts, the Group is engaged in negotiations to define the financial terms of the plan, specifically regarding the number of compensation days per year of service and the number of positions that will be affected, among other aspects. The process is expected to be concluded within the first half of the 2025 financial year.

On 7 February 2025, the acquisition of 10% of the shares representing the share capital of the company PINLE SPV 2024, S.L. was formalized, whose majority shareholder is a related entity (Note 24), as well as the sale of land to said company for its subsequent development and development.

In addition, between January 1, 2025, and the date of preparation of these consolidated financial statements for the year ended December 31, 2024, the Board of Directors does not consider that there have been any significant events in addition to those already indicated that have a significant effect on said financial statements or on the information contained therein.

Annex I

"Consolidation perimeter"

			% Direct and Indirect Participation			
Entity	**Domicile**	**Activity**	**12/31/2024**	**12/31/2023**	**Shareholder / Partner**	**Auditors**
Neinor Norte, S.L.U.	Bilbao	Promotion	100%	100%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
Rental Homes Propco, S.L.U.	Madrid	Promotion	100%	100%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
Bluewood Holding Iberia, S.L.	Madrid	Alquiler	100%	-	Rental Homes Propco, S.L.U.	-
Sundowner Holding Iberia, S.L.	Madrid	Alquiler	100%	-	Rental Homes Propco, S.L.U.	-
Neinor Rental Opco, S.L.U.	Madrid	Promotion	100%	100%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
Promociones Neinor 3, S.L.U.	Madrid	Promotion	100%	100%	Neinor Norte, S.L.U.	Deloitte Auditores, S.L.
Neinor Works, S.L.U.	Madrid	Construction	100%	100%	Neinor Norte, S.L.U.	Deloitte Auditores, S.L.
Promociones Neinor 5, S.L.U.	Madrid	Promotion	100%	100%	Neinor Norte, S.L.U.	Deloitte Auditores, S.L.
Neinor Peninsula, S.L.U.	Madrid	Promotion	100%	100%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
Neinor Sur, S.A.U.	Madrid	Promotion	100%	100%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
Neinor Sardes Rental, S.L.U.	Madrid	Rent	100%	100%	Rental Homes Propco, S.L.U.	Deloitte Auditores, S.L.
Renta Garantizada, S.A.	Madrid	Rent	75%	75%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
Rental Homes Holdco, S.L.U.	Madrid	Rent	100%	100%	Neinor Homes, S.A.	-
Europa Rental Homes Propco, S.L.U.	Madrid	Rent	100%	100%	Rental Homes Propco, S.L.U.	-
Quabit Comunidades, S.L.	Madrid	Promotion	60%	60%	Neinor Homes, S.A.	-
Quabit Inmobiliaria Internacional, S.L.	Madrid	Promotion	100%	99,56%	Neinor Homes, S.A.	-
Parque Las Cañas, S.L.U.	Madrid	Promotion	100%	100%	Neinor Homes, S.A.	-
Iber Activos Inmobiliarios, S.L.	Madrid	Promotion	92,04%	92,04%	Neinor Peninsula, S.L.U.	-
Quabit Sureste, S.L.U.	Madrid	Promotion	100%	100%	Neinor Peninsula, S.L.U.	-
Quabit Remate, S.L.U.	Madrid	Promotion	100%	100%	Neinor Peninsula, S.L.U.	-
Quabit Aguas Vivas, S.L.U.	Madrid	Promotion	100%	100%	Neinor Peninsula, S.L.U.	-
Global Quabit Sur, S.L.U.	Madrid	Promotion	100%	100%	Neinor Peninsula, S.L.U.	-
Quabit Casares Golf RP5, S.L.U.	Madrid	Promotion	100%	100%	Neinor Peninsula, S.L.U.	-
Quabit Palmaces, S.L.U.	Madrid	Promotion	100%	100%	Neinor Peninsula, S.L.U.	-
Quabit Construcción, S.A.	Guadalajara	Construction	82,95%	82,95%	Neinor Homes, S.A.	Deloitte Auditores, S.L.

"Consolidation Perimeter" – Associates

			% Direct and Indirect Participation			
Entity	Domicile	Activity	12/31/24	12/31/23	Shareholder / Partner	Auditors
Programa de Actuación de Baleares, S.L.	Madrid	Promotion	50%	50%	Neinor Homes, S.A.	-
Masía de Montesano, S.L.	Valence	Promotion	33,33%	33,33%	Neinor Homes, S.A.	-
Alboraya Marina Nova, S.L.	Alboraya	Construction	50%	50%	Grupo Mediterráneo Costa Blanca, S.L.U.	-
Nicrent Residencial, S.L.	Barcelona	Management	50%	50%	Neinor Homes, S.A.	-
Pegasus Holdco, S.L.	Madrid	Promotion	10%	10%	Neinor Homes, S.A.	Deloitte Auditores, S.L.
JV Panoramic DV, S.L.	Madrid	Promotion	10%	10%	Neinor Homes, S.A.	-
Brick Opportunities 9, S.L.	Madrid	Promotion	50%	-	Neinor Homes, S.A.	-
Waterton Invest, S.L.	Madrid	Promotion	20%	-	Neinor Homes, S.A.	-
Promociones Hábitat, S.A.	Barcelona	Promotion	10%	-	Neinor Homes, S.A.	EY
Harmony Holding Iberia, S.L.	Madrid	Promotion	27%	-	Neinor Homes, S.A.	-

Some financial data of interest with respect to companies consolidated by full integration or equity are offered below:

2024-

Entity	Equity as of 31 December 2024 (thousands of euros)							
	Capital	Share premium	Reserves	Previous financial results	Profit and loss	Value Change Adjustments	Other contributions from partners	Total Equity
Neinor Norte, S.L.U.	235.091	-	116.796	-	18.880	(645)	967	371.088
Rental Homes Propco, S.L.U.	301	-	59	(15.483)	(16.856)	-	83.393	51.414
Bluewood Holding Iberia, S.L.	3	-	-	-	(1.623)	-	21.949	20.329
Sundowner Holding Iberia, S.L.	3	-	-	-	(750)	-	8.568	7.821
Neinor Rental Opco, S.L.U.	880	-	170	(53)	(18)	-	-	979
Promociones Neinor 3, S.L.U.	594	-	256	(1.538)	4.904	-	2.500	6.716
Neinor Works, S.L.U.	6	-	1.355	-	(468)	-	-	894
Promociones Neinor 5, S.L.	5.649	593	4.633	-	409	-	-	11.284
Neinor Peninsula, S.L.U.	385.588	93.398	14.465	(9.096)	62.577	(3.938)	1.820	544.814
Neinor Sur, S.A.U.	158.981	-	290.867	-	21.738	(379)	23	471.229
Renta Garantizada, S.A.	60	-	218	2.645	1.381	-	-	4.305
Espalmador 45, S.L.U.	-	-	-	-	-	-	-	-
Rental Homes Holdco, S.L.	3	-	-	(1)	-	-	-	2
Europa Rental Homes Propco, S.L.	3	-	-	(19)	(906)	-	6.680	5.758
Rental Homes NX Propco, S.L.	-	-	8.010	-	(8.010)	-	-	-
Quabit Sureste, S.L.U.	555	1.575	229	(1.015)	(17)	-	36	1.362
Quabit Remate, S.L.U.	786	1.444	4.606	-	6	-	31	6.873
Quabit Aguas Vivas, S.L.U.	1.252	-	2.215	(133)	(15)	-	38	3.357
Global Quabit Sur, S.L.U.	243	720	44	(835)	897	-	17	1.087
Quabit Casares Golf RP5, S.L.U.	131	385	356	(26)	2	-	9	858
Quabit Palmaces, S.L.U.	279	828	304	-	(242)	-	-	1.169
Iber Activos Inmobiliarios, S.L.	2.752	-	128	(491)	42	-	-	2.431
Quabit Bonaire, S.L.	-	-	-	-	-	-	-	-
Quabit Inmobiliaria Internacional, S.L.U.	3	-	315	(9.485)	9	-	-	(9.159)
Quabit Comunidades, S.L.	600	-	13	(264)	(678)	-	103	(227)
Parque Las Cañas, S.L.U.	393	3.536	187	(6.583)	(5)	-	2.593	121
Quabit Construcción, S.A.	1.497	-	7.627	-	1.802	-	-	10.925
Programa de Actuación de Baleares, S.L.	7.500	-	(23)	(3.063)	1	-	-	4.415
Masía de Montesano, S.L.	-	-	-	-	-	-	-	-
Alboraya Marina Nova, S.L.	-	-	-	-	-	-	-	-
Nicrent Residencial, S.L.	63	11.940	(4)	(142)	(148)	-	-	11.710
Pegasus Holdco, S.L.	3	-	(2)	(687)	(1.896)	-	13.683	11.101
JV Panoramic, S.L.	979	14.581	12	(225)	(810)	-	3.550	18.087
Harmony Holding Iberia, S.L.	3	-	(2)	-	-	-	522	523
Waterton Investments, S.L.	407	33.286	1.578	(30.469)	(8.286)	-	10.101	6.617
Promociones Hábitat, S.A.	1.179	150.178	1.108	(11)	42.179	-	750	195.383

2023-

Entity	Equity as of December 31, 2023 (thousands of euros)						
	Capital	Share premium	Reserves	Previous financial results	Profit and loss	Other contributions from partners	Total Equity
Neinor Norte, S.L.U.	235.091	-	98.141	-	16.470	967	350.669
Rental Homes Propco, S.L.U.	301	-	59	(4.703)	(10.780)	52.467	37.344
Neinor Rental Opco, S.L.U.	880	-	170	(60)	6	-	996
Promociones Neinor 3, S.L.U.	594	-	256	(2.558)	778	2.500	1.570
Neinor Works, S.L.U.	6	-	942	(9)	423	-	1.362
Promociones Neinor 5, S.L.	5.649	593	1.170	-	3.041	-	10.453
Neinor Peninsula, S.L.U.	375.749	4.843	14.465	(66.666)	58.888	1.716	388.995
Neinor Sur, S.A.U.	158.981	-	257.753	-	33.114	23	449.871
Renta Garantizada, S.A.	60	-	218	1.851	807	-	2.936
Espalmador 45, S.L.U.	-	-	-	-	2	-	2
Rental Homes Holdco, S.L.	3	-	-	(1)	(1)	-	1
Europa Rental Homes Propco, S.L.	3	-	-	(4)	(15)	6.458	6.442
Rental Homes NX Propco, S.L.	3	-	-	(2)	(76)	37.740	37.665
Quabit Sureste, S.L.U.	555	1.575	229	(1.397)	381	36	1.379
Quabit Remate, S.L.U.	786	1.444	4.594	-	12	31	6.867
Quabit Aguas Vivas, S.L.U.	1.252	-	2.205	(222)	99	38	3.372
Global Quabit Sur, S.L.U.	243	720	44	(170)	(665)	17	189
Quabit Casares Golf RP5, S.L.U.	131	385	356	-	(26)	9	856
Quabit Palmaces, S.L.U.	279	828	297	-	7	-	1.411
Iber Activos Inmobiliarios, S.L.	2.752	-	128	(455)	(36)	-	2.389
Quabit Bonaire, S.L.	-	-	-	-	-	-	-
Quabit Inmobiliaria Internacional, S.L.U.	3	-	315	(9.463)	(22)	-	(9.167)
Quabit Comunidades, S.L.	600	-	13	(263)	(1)	103	452
Parque Las Cañas, S.L.U.	393	3.536	187	(6.613)	30	2.593	126
Quabit Construcción, S.A.	1.497	-	4.466	-	2.509	-	8.472
Programa de Actuación de Baleares, S.L.	7.500	-	(27)	(3.087)	7	-	4.394
Masía de Montesano, S.L.	2.520	-	-	(727)	(1)	-	1.792
Alboraya Marina Nova, S.L.	60	-	-	(33)	-	-	27
Nicrent Residencial, S.L.	63	11.940	(4)	(81)	(37)	-	11.881
Pegasus Holdco, S.L.	3	-	2	(80)	21	6.236	6.182
JV Panoramic, S.L.	363	-	6	-	(83)	-	286

MANAGEMENT REPORT

For the year ended December 31, 2024

Neinor Homes, S.A. and Subsidiaries

1. *The Group: Organisational structure and operation*

Neinor Homes Group was incorporated in the context of the memorandum of understanding signed in 2014 between Kutxabank, S.A. and the investment fund Lone Star, through its investee company Intertax Business, S.L.U. (currently called Neinor Holdings, S.L.U.), for the purchase and sale of part of the Kutxabank Group's real estate assets. The aforementioned sale (Operation Lion) was completed on 14 May 2015 through the transfer by Kutxabank, S.A. to Neinor Holdings, S.L.U. of all the shares held by the former in Neinor Homes, S.L.U., once the conditions precedent established in the purchase agreement signed between the parties on 18 December 2014 had been fulfilled.

On 1 January 2015, and within the framework of the transaction ("Transaction"), all the personnel who had been carrying out the development and management of the real estate group, as well as the means and technical resources necessary to carry out the activity, were transferred to the companies of Neinor Homes, S.L.U., as well as the means and technical resources necessary to carry out the activity.

During 2017, the company Neinor Homes, S.L.U. was transformed into a Public Limited Company (an operation formalised by virtue of a deed executed on 1 March 2017 before the notary public of Bilbao, Ms. Raquel Ruiz Torres, with number 234 of its protocol) with a view to its admission to trading on the Bilbao Stock Exchanges. Madrid, Barcelona and Valencia, which took place on March 29, 2017 with the prior authorization of the Sole Shareholder of the Company on March 6, 2017.

During the 2023 financial year and in line with the new strategic co-investment plan approved by the Company, on June 29, Neinor Homes, S.A. acquired 10% of the company Twintress, S.L. (name that has been modified by JL Panoramic DV, S.L.), acquiring the remaining 90% from Callixto Holding Lux, S.À.R.L. the remaining 90%. The ultimate purpose of the acquisition of this stake is to carry out co-investment agreements amounting to €100 million in which the Group will act as managing partner of the development to be developed, supervising the design of the project, granting of licences, marketing and construction. In this regard, one of the Group's companies, Neinor Península, S.L.U., formalised in December 2023 an agreement for the sale of a plot of land, in which a real estate development will be developed with JL Panoramic DV, S.L.

In the same vein, on July 26, 2023, Neinor Homes, S.A. reached an investment agreement for the acquisition of several plots of land for an amount of 50 million euros, fully invested to date to develop Build to Sell residential projects through an instrumental company with Orion V European 24, S.À.R.L., a company related to one of the Group's shareholders. In this regard, Neinor Homes, S.A. acquired 10% of the shares in the share capital of the company Pegasus Holdco, S.L.

Additionally, on November 13, 2023, Neinor Homes, S.A. reached an investment agreement with Proptech Ventures, S.L. and its subsidiary Urbanitae Real Estate Platform, S.L. for the acquisition of land for a maximum amount of 150 million euros. Each investment will involve a 20% stake by Neinor and 80% by the vehicle used by Urbanitae.

In 2023, Neinor also began a rental divestment process as a result of which five BTR developments (Hacienda, Sky, Lira, Europa and Dual), representing a total of 692 units, were sold throughout the year for more than 176 million euros to both institutional investors and *family offices*. In addition to these, the company Espalmador 45, S.L. was also sold for an amount of 12 million euros.

Within the framework of the co-investment strategy launched by the group in 2023, and projected to invest around 1,300 million euros, the Company has carried out the following operations in 2024:

On 1 July 2024, it made contributions amounting to €800 thousand, now holding a 50% stake in the company Brick Opportunities 9, S.L., based on the framework agreement signed with the Urbanitae Group in 2023, within the co-investment strategy announced by both and by which the partners have committed to jointly make contributions of up to €3,855 thousand. of which the Parent Company is responsible for 20%. This company will develop a residential development in which the Group is entrusted with the purchase, development, management and administration of the assets in exchange for a market commission.

In addition to this, on July 10, 2024, it has reached an agreement with Octopus Real Estate for the development of a portfolio of homes for Senior Living, which will be done through a co-investment vehicle, with an investment of 200 million euros planned by both parties.

On August 2, 2024, an investment and shareholders' agreement was signed with Cedarville Spain, S.L.U. (Avenue) regarding the company Waterton Invest, S.L., which is developing a real estate project in Las Lomas del Flamenco (Málaga) and Neinor Homes, S.A. was also given entry into its ownership and subscribed to a monetary capital increase amounting to 1,399 thousand euros. which give it a stake of up to 20% in it.

On September 20, 2024, 10% of Promociones Hábitat, S.A. was acquired from Bain Capital for €31.6 million. At that time, both parties signed a shareholders' agreement together with an agreement for the commercial management of the real estate assets of the company in which they both had a stake and an agreement for the provision of administration services, as a result of which most of the staff of Promociones Hábitat, S.A. was transferred to Neinor Homes. S.A. dated October 1, 2024. In this sense, Bain Capital's objective in this investee is to work on an accelerated liquidation plan for its assets with product deliveries in progress and land sales in a 5-year horizon, for which a real estate asset management agreement was signed at the same time as its stake was acquired. regulatory contract that includes the assumption by Bain Capital of all transitional costs.

On December 18, 2024, the shares representing 27% of the capital of the company Harmony Holding Iberia, S.L. were acquired for 142 thousand euros, with the rest belonging to the company Ameris España BTS I, S.L., signing a shareholders' agreement and an asset management agreement with Neinor Homes. S.A. in the same date, as an industrial partner, which will oversee the design, licensing, marketing and construction of a residential development.
In line with the Rental divestment process that the Company began in 2023, on July 12, 2024, the Group agreed to sell the company Rental Homes NX Propco, S.L., the holding company of 3 real estate investments located in Alovera, for €58 million. This sale has been consolidated in December 2024, thus representing its departure from the perimeter.

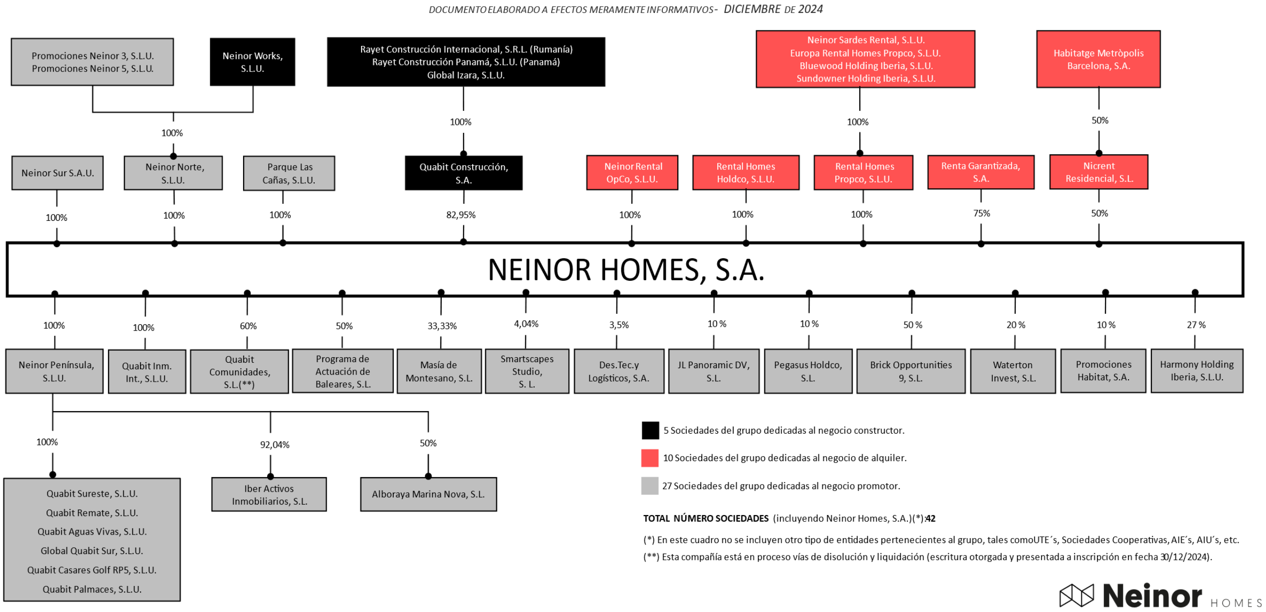
On December 17, a deed of sale of 2 assets with 147 homes located in Parla, Astral and Cosmos Homes was signed, for 29 million euros.

On December 10, 2024, 100% of the shares representing the share capital of Bluewood Holding Iberia, S.L.U. and Sundowner Holding Iberia, S.L.U., respectively, were acquired for an amount of 3,000 euros, through the subsidiary company Rental Homes Propco, S.L.U. The shares are fully paid up as of December 31, 2024

As a result of the operations mentioned above and continuing with the shareholder remuneration target, on February 19, 2024, the Group has distributed a dividend in the amount of €39,733 thousand via a share capital reduction in that amount, by reducing the nominal value of the shares by €0.53. Likewise, as of the date of preparation of these half-yearly consolidated summary financial statements, the Board of Directors has approved a shareholder remuneration proposal of €37,484 thousand via share capital reduction and which will be paid on July 31, 2024, with remuneration of €0.50 per share. Likewise, as approved at the Ordinary General Shareholders' Meeting on April 17, 2024, in June 2024 the Board of Directors approved a proposal for shareholder remuneration of €37,484 thousand via share capital reduction and paid on July 31, 2024, with remuneration of €0.50 per share. as well as the distribution of another identical dividend in October 2024 in the amount of 37,484 thousand euros via capital reduction, with the reductions being duly registered in the Mercantile Registry at the end of the year.
On December 18, 2024, the Extraordinary General Meeting of Shareholders has agreed to return contributions to shareholders via a capital reduction in two times for amounts of €62,224 thousand each, reducing the nominal value of the shares by €0.813 in each of the two approved returns. By virtue of this agreement, the Parent has informed that it will carry out the first approved distribution of 62,224 thousand and will be payable on January 24, 2025.

Currently, Neinor Homes, S.A. is the head of a business group that carries out its activities directly or through shareholdings in different companies.

The corporate structure of Neinor Homes, S.A. and subsidiaries ("the Group") is attached below:



The Group's business activity is carried out entirely in Spain, and mainly through two lines of business:

A) Business line "Development":

The Group's main and strategic activity is based on the acquisition of land for residential use for subsequent development.

The company's land portfolio is made up of 223 developments with more than 12,000 buildable units. This portfolio is distributed in seven regions of the company's activity, which are: Madrid, Guadalajara, Catalonia, the Basque Country, Valencia, the Balearic Islands and Andalusia.

This land portfolio has originated both through the Transaction described in Note 1 of the consolidated financial statement and from subsequent purchase and sale transactions during the period 2015-2024.

B) "Asset management" business line:

In line with the strategic plan for the 2023-2027 period, the Company has signed co-investment agreements to date for an amount of up to €1,300 million, currently managing a portfolio of around 130 developments and 11,000 units.

C) "Rental" line of business:

Currently, the portfolio of the Company's Rental business is made up of 8 developments and about 610 units,

The Company has continued throughout 2024 with the divestment process in this line of business.

At the level of organizational structure, the Group has a Board of Directors and three committees: the Audit and Control Committee, the Appointments and Remuneration Committee, and the Real Estate Investment Committee.

During the 2024 financial year, the Board met 15 times, the Audit and Control Committee on 8 occasions, the Appointments and Remuneration Committee on 4 occasions and the Real Estate Investment Committee on 4 occasions.

The main agreements, approvals and supervisory activities by the Board and the Committees that have taken place during the 2024 financial year, until the approval of the accounts for that year, are detailed below:

- a- Preparation of the Company's individual financial statements and individual management report for the year ended December 31, 2023
- b- Preparation of the consolidated financial statements and consolidated management report for the year ended December 31, 2023
- c- Formulation of the proposal for the application of the profit for the year ended December 31, 2023
- d- Examination and approval of the Annual Corporate Governance Report (IAGC) for the year ended December 31, 2023, including the review of the category of each director, following the favourable report of the Audit and Control Committee and the Appointments and Remuneration Committee
- e- Examination and approval of the Annual Report on Directors' Remuneration (IAR) for the year ended December 31, 2023, following the favourable report of the Appointments and Remuneration Committee
- f- Review and approval of the Statement of Non-Financial Information and Sustainability Report
- g- Review and approval of the CEO's fixed salary for 2024
- h- Statement of reasons for the report issued by the Audit and Control Committee, the Appointments and Remuneration Committee and the Real Estate Investment Committee on the functioning of the Audit and Control Committee, the Appointments and Remuneration Committee and the Real Estate Investment Committee
- i- Update on the crystallization of Rental activity
- j- Update on co-investments
- k- Update of the promotional activity
- l- Approval of corporate operations
- m- Proposed schedule for the payment of dividends
- n- Capital Markets Update
- o- Examination and approval of the Annual Financial Report for the year ended December 31, 2023, following the favourable report of the Audit and Control Committee
- p- Examination and approval of the summary financial statements for the twelve months of the year ended December 31, 2023, following the favourable report of the Audit and Control Committee
- q- Review and approval of the incentives accrued in relation to the MIP 2023-2025 and the objectives for 2024 of the Total Shareholder Return and EBITDA of the MIP 2023-2025
- r- Recognition of the report on the independence of auditors and on the provision of non-audit services
- s- Consideration of the report on related-party transactions and conflicts of interest
- t- Accounting of information on treasury stock transactions, in accordance with Article 7.8 of the Internal Code of Conduct on Securities Markets
- u- Business Plan Review and Approval: 2024 Budget and 25-28 Forecasts
- v- Report on the press release and explanatory presentation of the Company's annual results
- w- Examination and approval of the proposal for the re-election of the Company's auditors, as well as for the consolidated group of which it is the parent, for the financial year ending December 31, 2024
- x- Approval of the terms and conditions of the cancellation and early redemption of the SFA
- y- Approval and authorisation of refinancing operations
- z- Proposal for novation of the terms and conditions of the senior financing agreement
- aa- Approval of the novation of the terms and conditions of the senior financing contract
- bb- Review of the specific objectives of the bonus of the Executive Director and certain members of Senior Management for the 2024 financial year
- cc- Examination and approval of the proposal to call and date of the next Ordinary General Meeting of shareholders of the Company.
- dd- Examination of documentation and ratification of the call for the next Ordinary General Meeting of shareholders of the Company and the corresponding documentation
- ee- Review and approval of the first half of the year financial information and consolidated summary interim financial statements
- ff- Review and approval of the presentation of the Company's first half results and update of the Capital Market Strategy
- gg- Consideration and approval of proposals for two capital reductions to return contributions to shareholders by reducing the nominal value of the shares
- hh- Agreements relating to share capital reductions for the purpose of returning contributions to shareholders
- ii- Execution of share capital reductions in order to return contributions to shareholders and granting of powers of attorney
- jj- Review and approval of the proposal to call the Extraordinary General Meeting of Shareholders of the Company

kk- Review and approval of the reasoned proposal to be submitted to the general shareholders' meeting on the modifications to the Directors' Remuneration Policy
ll- Forecast for the end of the year 2024
mm- Evaluation of the Council and its Committees
nn- Approval of the calendar of meetings of the Commissions and the Council for 2025
oo- Review and approval of the proposed amendments to be included in the regulations of the Audit and Control Committee and the Board of Directors

To obtain the details of all the matters dealt with by the Board of Neinor Homes and by each of its Committees, you can consult the Annual Report of Activities of the Board of Directors of Neinor Homes and its Committees on our website.

In terms of the control and compliance model, the Neinor Homes Group has an integrated GRC (Governance, Risk and Compliance) structure that is based on:

- Analysis and assessment of risks that affect internally and stakeholders.
- Integration of all regulatory environments and business processes.
- Homogeneous methodology in implementations and projects in terms of compliance.

It is a model based on the analysis and evaluation of strategic risks of the company, of all control environments and of the entire value chain. In this way, all risks, gross and residual, are analyzed and rated according to their economic, reputational and organizational impact.

Currently, the model integrates all the company's business processes and the different regulatory areas, among others, the ICFR, Prevention of Corporate Criminal Liability, Cybersecurity, RDL 5/2018 on data protection, PBC/FT, LSC, Good Governance recommendations, Law 5/2021 regulations on Related Party Transactions of the LSC, CNMV Circular 3/2015.

The model dashboard integrates:

- The processes and procedures that affect a regulatory or operational compliance environment.
- The controls assigned to each risk and each environment.
- What risks each control mitigates or eliminates, which processes it affects.
- Who is responsible for each control, its supervision and when it is reported.

The GRC, Internal Audit & ESG department, made up of the areas of Internal Audit, Corporate Governance, Compliance, Risks, and Sustainability, is responsible for ensuring the entire integrated control and assurance system.

The Annual Corporate Governance Report is an integral part of the management report and its content can be accessed through the CNMV website (www.cnmv.es) and through the Neinor Homes https://www.neinorhomes.com/corporate/esg/buen-gobierno/informacion-gobierno-corporativo/informes-anuales/informe-anual-de-gobierno-corporativo/ website.

2. ***Business performance and results - Significant figures***

In the 2024 financial year, the Group recorded total revenues of €492,552 thousand, obtaining a gross margin of €153,231 thousand, and presented a Company EBITDA of €102,114 thousand. At the equity level, total assets amounted to €1,721,301 thousand, equity €861,711 thousand and short- and long-term liabilities €863,590 thousand.

Revenue and Gross Margin

By turnover, the development activity has accounted for revenues of €442,584 thousand (€415,354 thousand in sales and €27,230 thousand in construction revenues) and a gross margin of €134,791 thousand, obtaining a gross margin of 30.2%. The rental business line has accounted for a turnover of 36,826 thousand euros, of which 29,000 thousand euros is due to the sale of 2 assets located in Parla Astral and Cosmos Homes, 3,836 thousand euros for the rental of the homes owned and 3,990 thousand euros correspond to income from services related to rentals provided through the company Renta Garantía (Guaranteed Income). The asset management, coinvestment and other business line has generated revenues of €7,283 thousand and Company EBITDA of

€17,037 thousand due to the integration of results from companies accounted for by the equity method, which amounted to €12,593 thousand.

Development's sales are mainly due to the completion and delivery of various promotions. The breakdown of the year is as follows: i) sales from deliveries from previous years: 143,286 thousand euros, including Aqua Homes, with sales of 22,888 thousand euros; Oasis Homes, with sales of 17,652 thousand euros; Torrejón Park Homes, with sales of 16,482 thousand euros; Vega Homes, with sales of €9,711 thousand; and Bonaire Homes, with sales of 9,639 thousand euros, mainly; ii) sales from new deliveries in the year: €292,438 thousand, including Patriarca Homes, with sales of €34,010 thousand; Evergreen Homes, with sales of €30,854 thousand; Serena Homes II, with sales of €24,781 thousand; Mesas Homes II, with sales of €24,294 thousand; San Agustín Homes, with sales of 20,619 thousand euros; Ribera Homes II, with sales of 19,659 thousand euros; and Urban Homes IV, with sales of 18,413 thousand euros, mainly; iii) sales from 11 plots of land for a total amount of €8,629 thousand.

EBITDA

Company EBITDA for the period has reached 102,114 thousand euros, mainly due to Development with EBITDA amounting to 78,305 thousand euros, Asset Management, coinvestment and others has reached an EBITDA Company of 17,037 thousand euros, and Rental with Company EBITDA amounting to 6,772 thousand euros.

Profit for the Year

The consolidated result for the year ended December 31, 2024 amounted to €62,393 thousand, of which €62,008 thousand correspond to the parent company.

Financial situation

Short- and long-term liabilities as of December 31, 2024 amounted to €863,590 thousand compared to €667,610 thousand as of December 31, 2023 (an increase of €195,980 thousand).

The debt position as of December 31, 2024 continues to have very strong debt ratios: 22.3% adjusted LTC and 16.2% adjusted LTV.

Financial Debt 31.12.2024

Short- and long-term debts to credit institutions as of December 31, 2024 amounted to €194.3 thousand, of which the breakdown of bank debt is as follows:

- Capex financing lines: €80 million.
- Land financing lines: 65.5 million euros.
- Rental financing lines: 49.6 million euros.
- Corporate financing lines: drawn down at 0 million euros.
- Reverse factoring lines: 2.5 million euros drawn.
- Accrual of expenses: (4.2) million euros.
- Interest: 1 million euros.
- VAT lines: 0 million euros available.

In addition, in November 2024, the Company issued a new corporate bond issue for an amount of €325 million, at an interest rate of 5.875%, with interest payable semi-annually, starting on May 15, 2025, and with a final maturity on February 15, 2030.

It should also be noted that in 2024 the average payment period to suppliers has been 49 days.

3. Environmental and personnel issues

Given the activity to which the Neinor Homes Group is dedicated, it has no liabilities, expenses, assets, provisions and contingencies of an environmental nature that could be significant in relation to its equity, financial situation and results. In addition, the Group does not have any circumstances related to greenhouse gas emission rights.

As of December 31, 2024, the average number of people employed by Quabit Construcción, S.A. and Renta Garantía S.A. is 194 and 35 respectively (194 and 31 respectively, people at the end of the 2023 financial year employed by Quabit Construcción S.A. and by Renta Garantía S.A.), with the average number of people employed for the rest of the companies in the Neinor Homes group at 31 December 2024 being 287 (282 during the year ended December 31, 2023). The total average workforce in 2024 and 2023 amounts to 516 and 507 people, respectively.

The number of people employed at the end of the 2024 financial year by Quabit Construcción, S.A. and by Renta Garantía S.A., is 196 and 39 people respectively (198 and 35 people respectively at the end of the 2023 financial year), with the breakdown of the distribution by category of the number of people employed at the end of the 2024 and 2023 financial years for the rest of the companies of the Neinor Homes group, next:

	31.12.2024			31.12.2023		
	Women	Men	Total	Women	Men	Total
Higher education graduates	95	135	230	92	140	232
Intermediate graduates	79	47	126	35	15	50
Total	**174**	**182**	**356**	**127**	**155**	**282**

As of December 31, 2024, the number of people employed by the Group with a disability greater than or equal to 33% has been 3 (1 employee with a disability greater than or equal to 33% as of December 31, 2023).

4. Liquidity and capital resources

The Group has a sufficient level of cash and equivalents to carry out its activities.

In the 2024 financial year, the financing obtained by the Group stands out, mainly for land and developer loans linked to developments, which amounts to a total of €194,288 thousand on the balance sheet.

In addition, in November 2024, the group has contracted a new revolving financing facility with a limit of up to €40 million, with a pool of banks (JP Morgan, Societe Generale, Banco Santander, S.A., BBVA and Deutsche Bank), guaranteed by Neinor Península, S.L.U., Neinor Sur, S.A.U., Neinor Norte, S.L.U. and Rental Homes Propco. S.L.U. which will be used for working capital and general corporate purposes, and which will accrue a Euribor interest rate plus a differential, maturing until 2030. This financing is subject to compliance with covenants, although it is not available at the end of the 2024 financial year.

In addition to this financing, the perspective is to formalize developer-type financing that covers the investment, and in turn link the vast majority of the payments and investments required with the delivery of the development and therefore the collection of the sale.

The group is still in talks with financial institutions to obtain financing for new development launches to continue with its solid financial results and cash position.

The group's capital management is focused on achieving a financial structure that optimises the cost of capital to guarantee a solid financial position. This policy allows the creation of value for shareholders to be compatible with access to financial markets at a competitive cost, to cover the needs of debt refinancing and financing of the investment plan not covered by the funds generated by the business.

5. Main risks and uncertainties

The Group has drawn up its risk map. To this end, the organisation's procedures have been analysed, the possible sources of risk have been identified and quantified, while the appropriate measures have been taken to prevent them from occurring.

The most significant financial risks may include:

Market risk

Exposure to interest rate risk

During the 2022 financial year, the group contracted two interest rate hedges for amounts of €100 million and €200 million in order to cover the risk of the total debt balance sheet from interest rate hikes. The maturity of the hedges is 2026 and 2027 respectively and the rate set for these hedges is 2% for the 12-month Euribor.
In the 2023 financial year, the Group amended these two contracts to obtain a third derivative contract.

Most of the loans and credits on the Group's balance sheet are indexed to the Euribor benchmark.

Credit risk exposure

The Group does not have a significant credit risk with third parties derived from its own real estate activity, since it collects practically all of its sales at the time of the deed, either by subrogation of the buyer in the part that corresponds to him of the developer loan or by another method other than the buyer's choice. The credit risk arising from payment deferrals in transactions involving the sale of land or completed buildings is mitigated by obtaining guarantees from the buyer or establishing resolutory conditions in the event of non-payment that would result in the recovery of ownership of the sold asset and the collection of compensation.

In general, the Group maintains its cash and equivalent liquid assets in high-credit financial institutions.

Exposure to solvency risk

The Group periodically analyses the risk of insolvency of its accounts receivable by updating the corresponding impairment provision. The Directors of the Parent Company consider that the amount of trade receivables and other receivables accounts is close to their fair value.

Exposure to foreign exchange risk

Given the Group's limited international exposure to markets outside the euro area, exposure to foreign exchange risk is negligible***.***

6. <u>Significant circumstances after the end of the year</u>

On January 24, 2025, the Group distributed a dividend amounting to €62,224 thousand via a share capital reduction, by reducing the nominal value of the shares by €0.813 per share.

On 10 January 2025, the Group announced its intention to initiate an ERE in the parent company in order to adapt its employment structure to the reality of its activity, operational and business needs, and based on the existence of objective causes of an economic, productive and organisational nature, after taking over the management of Promociones Hábitat and absorbing its workforce. As of the date of preparation of these consolidated financial statements, the Group is in a negotiation process to determine the economic conditions of the plan and specifically to determine the days for each year worked and the number of jobs that will be affected, among other aspects, and which is expected to end during the first half of the 2025 financial year.

On 7 February 2025, the acquisition of 10% of the shares representing the share capital of the company PINLE SPV 2024, S.L., whose majority shareholder is a related entity, was formalised, as well as the sale of land to said company for its subsequent development and promotion.

Subsequent to the end of December 31, 2024, no events have occurred in addition to those indicated in the consolidated financial statements that are likely to significantly influence the financial information detailed in this report, or that should be highlighted as having significant significance.

7. ***Information on the foreseeable evolution of the entity for the year 2025***

The Group's main lines of action for 2025 focus on:

Business line "Development"

- Monitoring of the works with which they were closed in December 2024, plus the bidding and contracting of new works until the end of the year.
- Land acquisition
- Follow the trend of growth in the number of pre-sales. It also captures the price increases that are occurring in each of the locations, due to the growing demand and the low supply of quality products.
- Deliver the developments whose completion date is scheduled for 2025, taking care of the satisfaction and experience of our customers.

"Co-investment" business line

- Land acquisition via co-investment
- Project design oversight, licensing, marketing, and construction.

"Rental" line of business

- Manage and build homes for this line of business.
- Provision of property and asset management services to third parties through the acquired company Renta Garantía S.A., one of the leading rental management companies in Spain.
- Alliance with Cevasa and Habitatge Metròpolis Barcelona (HMB) to build 4,500 social rental homes in Barcelona and its metropolitan area, which will have to come into operation between 2024 and 2027. In the first half of 2023, the launch of phase 1, equivalent to 750 units, has begun.
- Divestment in order to monetize the implicit value of the Company's rental assets.

8. ***R+D+i Activities***

Given Neinor Homes' lines of business, there are no relevant research, development and innovation activities.

9. ***Own actions***

As of December 31, 2024, the share capital of the Parent Company is made up of 74,968,751 shares, with a par value of €6.38 each, fully subscribed and paid up.

As of December 31, 2024, treasury shares amounted to €5,421 thousand on the balance sheet.

The number of shares as of December 31, 2024 would be 380,854 shares, with an average unit acquisition price of €14.23.

10. ***Alternative Performance Measures***

As indicated in Note 2 of the consolidated report, the Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). In addition, it presents some Alternative Performance Measures ("APMs") to provide additional information that favors the comparability and understanding of its financial information, and facilitates decision-making and evaluation of the Group's performance.

The most significant APMs are the following:

Profit or gross margin:

Definition: External Sales + Cost of Sales

Reconciliation: the company presents the calculation of the gross profit or margin in the consolidated financial statements.

Explanation of use: the gross profit or margin is considered by the company as a measure of the income from its activity, since it provides information on the result or gross margin obtained from external sales and subtracting the cost incurred to achieve such sales, which includes the impairments applied corresponding to real estate assets that have been sold during the period.

Comparison: the company presents a comparison with that of the previous period.

Consistency: the criteria used to calculate the gross result is the same as the previous year.

Company EBITDA

Definition: Profit or gross income + Personnel expenses + External services + Change in traffic provisions + Impairment and gains from disposals of fixed assets + Other operating income - incentives and restructuring and growth expenses after the business combination (extraordinary expenses) + Earnings from companies accounted for by the equity method + Other financial income.

Reconciliation: The company presents the calculation of the Company's EBITDA in the consolidated financial statements.

Explanation of use: the Company's EBITDA is considered by the Company as a measure of the returns from its activity, since it provides an analysis of the operating results excluding, in addition to depreciation, other effects that do not represent cash or that are not related to the Company's normal activity.

Comparison: the company presents a comparison with that of the previous period.

Consistency: the criteria used to calculate EBITDA is in line with the years 2020 and 2021, incorporating the Company's expansion costs and additional after-sales provision.

Financial debt

Definition: Debt to credit institutions recognized as non-current liabilities + Debt to credit institutions (non-current liabilities held for sale) + Debt with credit institutions recognized as current liabilities.

Reconciliation: The company presents the calculation of financial debt in the consolidated financial statements.

Explanation of use: Financial debt is a financial indicator that measures the company's debt position. In addition, it is an indicator widely used by investors when assessing the financial leverage of companies, as well as by rating agencies and creditors to assess the level of indebtedness.

Comparison: the company presents a comparison with that of the previous period.

Consistency: The criteria used to calculate Financial Debt is the same as the previous year.

Net financial debt

Definition: Debts to credit institutions (non-current liabilities, non-current liabilities put up for sale and current liabilities) + Other financial liabilities (current and non-current) – Cash and other cash equivalents. .

Reconciliation: The reconciliation of this APM with the consolidated financial statements is as follows:

	Dec 31, 24
Debts with credit institutions - non-current liabilities	41.036
Debts to credit institutions – non-current liabilities held for sale	-
Debts with credit institutions - current liabilities	153.252
Other financial liabilities – non-current liabilities	319.061
Other financial liabilities – current liabilities	64.130
Cash and other cash equivalents	(335.095)
Net financial debt (thousands)	**242.384**

Explanation of use: Net financial debt is a financial indicator that measures a company's net debt position. In addition, it is an indicator widely used by investors when assessing the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net indebtedness.

Comparison: the company includes current financial assets in the Net Financial Debt.

Consistency: the criterion used to calculate the Net Financial Debt is the same as the previous year adjusted for the amount outstanding for the acquisition of Guaranteed Income.

Adjusted Net Financial Debt

Definition: Debts to credit institutions (non-current liabilities, non-current liabilities put up for sale and current liabilities) + deferred payment for the purchase of land recorded in Trade receivables and other long-term and short-term payables + other financial liabilities (current and non-current) - Cash and cash equivalents (excluding the non-available component associated with advances received and associated with a development that are deposited in a special account, and which are only available for the care derived from the construction of the promotions).

Reconciliation: The reconciliation of this APM with the consolidated financial statements is as follows:

	Dec 31, 24
Debts with credit institutions - non-current liabilities	41.036
Debts to credit institutions – non-current liabilities held for sale	-
Debts with credit institutions - current liabilities	153.252
Other financial liabilities – non-current liabilities	319.061
Other financial liabilities – current liabilities	64.130
Deferred payment floor	187
Other current and non-current assets	(4.672)
Cash and cash equivalents - cash on hand	(335.095)
Adjusted Net Financial Debt (thousands)	**237.899**

Explanation of use: Net financial debt is a financial indicator that measures a company's net debt position. In addition, it is an indicator widely used by investors when assessing the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net indebtedness.

Comparison: the company includes current and non-current financial assets in net financial debt.

Consistency: the criteria used to calculate the Net Financial Debt is the same as the previous year adjusted for what was discussed in the "comparison" section.

Loan to Value (LTV)

Definition: Net financial debt/market value of assets.

Explanation of usage: LTV is an indicator that measures the company's debt position. It is widely used by investors when assessing the financial leverage of real estate companies, as well as by rating agencies and creditors to assess the level of indebtedness.

Reconciliation: The reconciliation of this APM with the consolidated financial statements is as follows:

	Dec 31, 24
Net financial debt (thousands)	**242.384**
Market value of assets (thousands)	1.465.036
LTV	**16,5%**

Loan to Value adjusted (LTV adjusted)

Definition: Adjusted net financial debt / market value of assets.

Explanation of usage: LTV is an indicator that measures the company's debt position. It is widely used by investors when assessing the financial leverage of real estate companies, as well as by rating agencies and creditors to assess the level of indebtedness.

Reconciliation: The reconciliation of this APM with the consolidated financial statements is as follows:

	Dec 31, 24
Adjusted Net Financial Debt (thousands)	**237.899**
Market value of assets (thousands)	1.465.036
Adjusted LTV	**16,2%**

Loan to Cost (LTC)

Definition: Net Financial Debt / (Inventories + Non-Current Assets for Sale + Real Estate Investments)

Explanation of use: LTC is an indicator that measures the company's debt position. It is widely used by investors when assessing the financial leverage of real estate companies, as well as by rating agencies and creditors to assess the level of indebtedness.

Reconciliation: The reconciliation of this APM with the consolidated financial statements is as follows:

	Dec 31, 24
Net financial debt (thousands)	**242.384**
Stock (thousands)	935.655
Non-current assets for sale (thousands)	-
Real estate investments (thousands)	131.743
LTC	**22,7%**

Adjusted Loan to Cost (Adjusted LTC)

Definition: Adjusted Net Financial Debt/ (Inventories + Real Estate Investments)

Explanation of use: LTC is an indicator that measures the company's debt position. It is widely used by investors when assessing the financial leverage of real estate companies, as well as by rating agencies and creditors to assess the level of indebtedness.

Reconciliation: The reconciliation of this APM with the consolidated financial statements is as follows:

	Dec 31, 24
Net financial debt (thousands)	**237.899**
Stock (thousands)	935.655
Non-current assets for sale (thousands)	-
Real estate investments (thousands)	131.743
Adjusted LTC	**22,3%**

11. Consolidated Statement of Non-Financial Information

As part of this consolidated management report, the Consolidated Statement of Non-Financial Information has also been incorporated, which includes the requirements mandated by Law 11/2018 of December 28 regarding non-financial information and diversity.

Neinor Homes, S.A.

Auditor´s report on "Information relating to the internal control over financial reporting (ICFR)" of Neinor Homes, S.A. for the year ended 31 December 2024

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

AUDITOR'S REPORT ON "INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)" OF NEINOR HOMES, S.A., FOR THE YEAR ENDED 31 DECEMBER 2024

To the Directors of Neinor Homes, S.A.:

At the request of the Board of Neinor Homes, S.A. (hereinafter the Company), and in accordance with our proposal dated December 4, 2024 we applied certain procedures to the accompanying "ICFR related information" included in section F) of the Annual Corporate Governance Report for Neinor Homes, S.A., for the year ended 31 December 2024, which summarizes the Company's internal control procedures regarding annual financial information.

The Directors are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR related information included in section F) of the Annual Corporate Governance Report.

It is worth nothing that apart from the quality of design and operability of the Company's internal control system as far as annual financial reporting is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of Neinor Homes, S.A. and Subsidiaries' (the Group) internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the *Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies*, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's financial data for the year ended 31 December 2024 described in the accompanying ICFR information included in section F) of the Annual Corporate Governance Report.

Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Reading and understanding the information prepared by the Company in relation to the ICFR –as disclosed in the Directors' Report- and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICFR, in the model of Annual Corporate Governance Report, as established in Circular nº 5/2013 of the National Securities Market Commission dated June 12, 2013, and subsequent amendments, the most recent being CNMV Circular 3/2021, of 28 September ("the CNMV Circulars").

2. Making enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.

3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit Committee.

4. Comparison of the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the consolidated financial statements.

5. Reading the minutes of the Board Meetings, Audit Committee, and other committees of the Group, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICFR and the information described in section 1 above.

6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in section 1 above.

As a result of the procedures applied on the Neinor Homes, S.A. and Subsidiaries' ICFR related information, no inconsistencies or incidents have come to our attention which might affect it.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and "the Circulars of the NMSC", for the purposes of describing the ICFR in Annual Corporate Governance Reports.

DELOITTE AUDITORES, S.L.

Alicia Izaga

February 25, 2025

ANNEX I – FORM

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

PARTICULARS OF THE ISSUER

REPORTING DATE	2024

Tax No. A- 95786562

Registered office: C/ Henao 20, Bilbao

Company: NEINOR HOMES, S.A.

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table on the share capital and attributed voting rights, including, where applicable, those corresponding to shares with loyalty voting rights, at the end of the reporting period:

Indicate whether the company's articles of association contain a provision for double loyalty voting:

☐ Sí ☑ No

Date of approval at the General Shareholders' Meeting:

Minimum period of uninterrupted ownership required by the bylaws

Indicate whether the company has attributed loyalty votes:

☐ Sí ☑ No

Date of last change in share capital	Equity capital	Number of shares	Number of voting rights (not including additional votes attributed on the basis of loyalty)	Number of additional voting rights attributed corresponding to loyalty voting shares	Total number of voting rights, including additional votes attributed on the basis of loyalty
17/10/2024	540,594,694.71	74,968,751	74,968,751	0	74,968,751

Number of shares registered in the special share register pending completion of the loyalty period:

State whether there are different classes of shares associated with different rights:

☐ Sí ☑ No

Class	Number of shares	Nominal unit price	Number of unit voting rights	Rights and obligations conferred

Remarks
On January 28, 2025, a capital reduction took place in the company, maintaining the number of shares but reducing their nominal value to 6.38 euros, with the share capital, as registered in the commercial registry on the same date, amounting to 478,300,631.38 euros. In the balance sheet as of December 31, 2024, this capital reduction has been accounted for as it had been approved by the Extraordinary General Meeting and the decision on it had been made by the Board of Directors, to whom the Meeting had delegated the decision.

A.2. Indicate the direct and indirect owners of significant shareholdings at the reporting date, including directors who have a significant shareholding:

Name or company name of the shareholder	% voting rights attached to the shares		% voting rights held via financial instruments		% total voting rights	Of the total no. of voting rights attributed to shares, specify, where applicable, the additional attributed votes corresponding to shares with loyalty votes	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	29.517%	0	0	0	29.517%		
STONESHIELD HOLDING S.À.R.L. (1)	0	25.002%	0	0	25.002%		
ADAR CAPITAL PARTNERS LTD (2)	0	12.687%	0	1.875%	14.562%		

Remarks
(1) In accordance with the significant holdings notification of November 21, 2023.
(2) In accordance with the significant holdings notification of August 29, 2023, that is, prior to the capital reduction of Neinor Homes, S.A. executed on October 19, 2023.
(3) In accordance with the significant holdings notification of February 25, 2022, that is, prior to the capital reduction of Neinor Homes, S.A. executed on October 19, 2023.
Shareholders with a holding greater than 3% of the share capital are included.

Detail of the indirect shareholding:

Indirect shareholder's name	Direct shareholder's name	% of voting rights associated with the shares (including loyalty votes)	% of voting rights held through financial instruments	% of total voting rights	Of the total no. of voting rights attributed to shares, specify, where applicable, the additional attributed votes corresponding to shares with loyalty vote
STONESHIELD HOLDING S.À.R.L.	STONESHIELD SOUTHERN REAL ESTATE HOLDING II S.À R.L.	25.002%	0	25.002%	0
ADAR CAPITAL PARTNERS LTD	ADAR MACRO FUND LTD	12.687%	1.875%	14.562%	0

Remarks
(1) In accordance with the significant holdings notification of August 29, 2023, that is, prior to the capital reduction of Neinor Homes, S.A. executed on October 19, 2023.
(2) In accordance with the significant holdings notification of February 25, 2022, that is, prior to the capital reduction of Neinor Homes, S.A. executed on October 19, 2023.

State any material changes in the shareholder structure arising during the year:

Shareholder's name	Transaction date	Description of the transaction

A.3. Detail, regardless of the percentage, the ownership interest at the end of the reporting period of the members of the Board of Directors who are holders of voting rights attributed to shares of the company or through financial instruments, excluding directors identified in section A.2 above:

Name or company name of the director	% of voting rights associated with the shares (including loyalty votes)		% of voting rights held through financial instruments		% of total voting rights	Of the total % of voting rights attributed to shares, specify, where applicable, the % of additional attributed votes corresponding to shares with loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
SEGAL, ANDREAS	0.027%				0.027%		
GARCIA-EGOTXEAGA VERGARA, BORJA	0.091%				0.091%		
MORENÉS BOTÍN SANZ-DE SAUTUOLA, FELIPE		0.027%			0.027%		
BIRULÉS BERTRAN, ANNA M.		0.003%			0.003%		

% of total voting rights held by the board of directors	0.148%

Remarks

Details of indirect shareholdings:

Name or company name of the director	Name or company name of the direct owner	% of voting rights associated with the shares (including loyalty votes)	% of voting rights held through financial instruments	% of total voting rights	Of the total % of voting rights attributed to shares, specify, where applicable, the % of additional attributed votes corresponding to shares with loyalty vote
BIRULÉS BRETRAN, ANNA M.	ALTA BUSINESS SERVEIS, SL	0.003%		0.003%	
MORENÉS BOTÍN SANZ-DE SAUTUOLA, FELIPE	ALPHA CAPITAL FLM1, S.L.	0.027%		0.027%	

Remarks

Give details of the total percentage of voting rights represented on the Board:

Total % of voting rights represented on the Board of Directors	0.148%

Remarks

A.4. Where appropriate, state any family, business, contractual or corporate relations existing between the owners of significant shareholdings, insofar as they may be known to the company, unless such relations are immaterial or are the result of ordinary business or trading activities, except for the relations reported in section **A.6 below**:

Related party's name	Nature of relationship	Brief description

A.5. Where appropriate, state any business, contractual or corporate relations existing between the owners of significant shareholdings and the company and/or its group, unless such relations are immaterial or are the result of ordinary business or trading activities:

Related party's name	Nature of relationship	Brief description
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	Contractual	Neinor Homes, S.A. and Orion V European 24, S.á r.l., a company wholly owned indirectly by Orion European Real Estate Fund V S.L.P., have entered into an agreement to carry out, through a joint venture, residential real estate developments in Spain for build-to-sell. The joint venture is owned 90% and 10% by Orion and Neinor, respectively. In addition, Neinor acts as delivery partner manager, supervising project design, licensing, marketing and construction.

A.6. Describe any relations, unless immaterial to both parties, existing between significant shareholders and/or shareholders represented on the board and the directors or their representatives in the case of legal entity directors.

Where appropriate, explain how significant shareholders are represented. Specifically, identify any directors appointed to represent significant shareholders, any directors appointed at the instigation of a significant shareholder, and any directors related with a significant shareholder and/or group entity, stating the nature of the relationship.

In particular, state the existence, identity and office held by any members of the board or representatives of directors of the listed company who are, in turn, members of the boards of directors, or representatives of directors of any companies owning significant shareholdings in the listed company or in any entities belonging to such significant shareholders' business groups.

Related director's or representative's name	Related significant shareholder's name	Name of the significant shareholder's group entity	Description of relationship / office
AREF H. LAHHAM	ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	ORION CAPITAL MANAGERS, LLP	Proprietary Director
VAN J. STULTS	ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	ORION CAPITAL MANAGERS, LLP	Proprietary Director
JUAN JOSE PEPA	STONESHIELD HOLDING S.À.R.L.	STONESHIELD CAPITAL	Proprietary Director
FELIPE MORENÉS BOTÍN SANZ DE SAUTOLA	STONESHIELD HOLDING S.À.R.L.	STONESHIELD CAPITAL	Proprietary Director

Remarks

A.7. State whether the company has been notified of any shareholders' agreements affecting it pursuant to Articles 530 and 531 of the Capital Companies Law. Where appropriate, provide a brief description and list the shareholders bound by the agreement:

☐ Sí ☑ No

Parties to the shareholders' agreement	% share capital affected	Brief description of the agreement	Termination date of the agreement, if any

Remarks
The company periodically provides training on Good Governance and Compliance to the members of the Board, paying special attention to directors' duties and responsibilities. In addition, the Audit Committee reminds the Board of the regulatory obligations in the various matters addressed on the agenda, and when situations might arise that could give rise to doubts as to the existence of shareholders' agreements due to the existence and recurrence of concerted management between different shareholders, and the Chair of the Audit Committee asks about these issues and reminds the members of the Board of their duty to inform the company and the CNMV.

State Whether the company has knowledge of any concerted action between shareholders, describe them briefly

☐ Sí ☑ No

Parties to concerted action	% of share capital affected	Brief description of the concerted action	Termination date of the concerted action, if any

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Remarks

State whether any shareholders' agreements or concerted actions were amended or broken off during the year, expressly indicated the arrangements concerned:

A.8. State whether there are any natural persons or legal entities who exert, or could exert, control over the company within the meaning of Article 5 of the Securities Market Law. Identify any such individuals or entities, where appropriate:

☐ Sí ☑ No

Name of the individual or entity

Remarks

A.9. Complete the following tables with information about treasury shares held by the company:

At the reporting date:

Number of direct shares	Number of indirect shares (*)	% of total share capital
380,854		0.508%

Remarks

(*) Through:

Name of the direct owner of the shareholding	Number of direct shares
Total:	

Remarks

Explain any significant changes arising during the year:

Explain the significant changes
There have been no significant changes in treasury shares during the 2024 financial year, with the main movements corresponding to the delivery of shares linked to the 2020-2022 incentive plans, as explained in the IAR.

A.10. State the terms of the prevailing mandate granted by the General Shareholders Meeting authorizing the board of directors to issue, buy back or transfer treasury shares.

The General Shareholders' Meeting of the company authorized the Board of Directors on April 13, 2022, for the following matters:

1) Increase the share capital under the terms and conditions of article 297.1.b) of the Capital Companies Act, for a maximum period of five years, with the power to exclude pre-emptive subscription rights up to the limit of 20% of the share capital as established in article 506 of the Capital Companies Act.

2) Issue bonds, debentures and other fixed-income securities exchangeable for and/or convertible into shares of the company, as well as warrants or other similar securities that may give the right, directly or indirectly, to subscribe or acquire shares in the company or other companies, whether or not belonging to its group, for a maximum period of five years and for an aggregate amount of 500,000,000 euros, as well as, where appropriate, the power to increase the share capital by the necessary amount with the power to exclude pre-emptive subscription rights up to a limit of 20% of the share capital and authorization for the company to guarantee fixed-income issues made by subsidiaries.

The General Shareholders' Meeting of the company authorized the Board of Directors on April 1, 2020, for the following matters:

1) Derivative acquisition of treasury shares directly or through group companies and for the disposal thereof.

- Forms of acquisition: acquisition by purchase, by any other "intervivos" act for valuable consideration or any other form permitted by law, including against profits for the year and/or unrestricted reserves.
- Maximum number of shares to be acquired: acquisitions may be made at any time, once or several times, provided that the own shares acquired, added to those already held by the company, do not exceed the maximum figure permitted by law.
- Price: the price or countervalue will range between (i) a minimum amount equivalent to the lower of the nominal value and the listed price on the Continuous Market at the time of acquisition reduced by 30%, and (ii) a maximum amount equivalent to the listed price on the Continuous Market at the time of acquisition increased by 30%.
- Duration of the authorisation: five years from the date of the agreement.

The shares acquired may be used for disposal or redemption, for potential corporate or business transactions, or for delivery of the shares directly to the employees or directors of the company, or as a result of the exercise of option rights held by them, in accordance with the provisions of the third paragraph of section 1.a) of article 146 of the Capital Companies Act.

A.11. Estimated free float

	%
Estimated free float	30.26 %

Remarks

A.12. State whether there are any statutory, legislative or other restrictions on the transferability of securities and/or any restrictions on voting rights In particular, you should report the existence of any kind of restrictions that could hinder or prevent a takeover of the company by means of the acquisition of shares in the market, as well as any requirements established under applicable industry regulations for prior authorization or notification of the acquisition or transfer of financial instruments issued by the company.

☐ Sí ☑ No

Description of restrictions
The company maintains standard market clauses in its various financing agreements, confirming lines and debt repayment terms in the event of a change of control in the company.

A.13. State whether the General Shareholders Meeting has resolved to adopt any anti-takeover measures in accordance with Spanish Law 6/2007.

☐ Sí ☑ No

Where appropriate, explain the measures approved and the conditions under which the resulting restrictions would be lifted:

Explain the measures approved and the conditions under which they would be lifted

A.14. State whether the company has issued any securities that are not traded on a regulated market in the European Union.

☐ Sí ☑ No

Where appropriate, list the different classes of shares and the rights and obligations conferred by each class of share.

List the different classes of shares

B GENERAL MEETING

B.1. Indicate and, where applicable, detail, if there are differences with the minimum regime established in the Capital Companies Law with respect to the quorum for the constitution of the general meeting.

☐ Sí ☑ No

	Different % quorum to that established in Art. 193, CCL for general assumptions	Different % quorum to that established in Art. 194, CCL for the special cases of the art. 194 LSC
Quorum required on first call		
Quorum required on second call		

Description of differences

B.2. State whether there are any differences with the system for the adoption of corporate resolutions established under the Capital Companies Law, and describe said differences where appropriate:

☑ Sí ☐ No

Describe any differences with the Capital Companies Law

	Different qualified majority from Art. 201.2 for the cases mentioned in Art. 194.1 of the Limited Companies Act	Other cases requiring qualified majorities
% established by the entity for the adoption of resolutions	66%	66%

Description of differences
Article 17.4 of the Regulations of the Board of Directors states that: Except where the law or the Articles of Association specifically establish other voting rules, resolutions shall be adopted by absolute majority of the directors present at the meeting. In particular, the appointment, removal and agreements to terminate of CEOs, as well as the previous approval of contracts to be entered into between the Company and directors who are given executive functions will require the favorable vote of at least two thirds of the members of the Board, with the abstention, where applicable, of the affected director. In the event of a tie, the Chairman will not have a casting vote. The Capital Companies Law indicates that a majority vote is sufficient for the appointment or removal of the Chief Executive Officers.

B.3. State the rules applicable to amendment of the company's bylaws. In particular, you should report the majorities required and, where appropriate, the rules established for the protection of shareholders' rights in the event of amendment of the bylaws.

In accordance with Article 28.1 of the bylaws, a separate vote must be held for the amendment of each article or group of articles of the bylaws, even where such amendments are included in the same point on the agenda for the meeting.

Article 30 of the Regulations for the General Shareholders Meeting requires an absolute majority of the votes cast to amend the Bylaws where the shares present or represented by proxy exceed 50% of total share capital, or two thirds of shares present or represented by proxy when the shareholders present or represented by proxy at second call hold 25% or more of total subscribed capital with voting rights but less than 50%.

B.4. Provide figures for attendance at the general meetings held during the year referred to in this report and in the prior year:

	Attendance figures				
Date of general meeting	% physical attendance	% attendance by proxy	% remote votes cast		Total
			Electronic votes	Other	
20/04/2023	0.5152%	78.1039%			78.6191%
01/09/2023	25.3103%	51.226%			76.5363 %
17/04/2024	0.6337%	69.495%			70.1287%
18/12/2024	0.39%	86.55%			86.94%
Of which floating capital:					17.2%

B.5. State whether there were any motions proposed in the agenda for the general meetings held during the year that were not approved by the shareholders for any reason.

☐ Sí ☑ No

Motions not approved	% votes against (*)

(*) Where any motion was not approved for reasons other than a majority of votes against, the explanation should be included in the text field, and the remark "n/a" should be entered in the column headed "% votes against".

B.6. State whether there are any statutory restrictions establishing a minimum number of shares needed to attend general meetings, or to vote remotely:

☐ Sí ☑ No

Number of shares needed to attend general meetings	
Number of shares needed for remote voting	

Remarks

B.7. State whether the bylaws require that decisions regarding the acquisition, disposal or assignment to any other company of core assets, or any other similar corporate transactions, must be submitted for approval by the shareholders at their general meeting, other than in the cases established by Law.

☐ Sí ☑ No

Decisions that must be submitted for approval by the General Shareholders Meeting, other than as required by Law

B.8. State the internet address and means of access to the company webpage containing corporate governance and other information concerning general meetings which must be made available to the shareholders online via the corporate website.

The address where information on corporate governance is available is as follows:

https://www.neinorhomes.com/en/corporate/investors/general-information/calendar/

https://www.neinorhomes.com/en/corporate/esg/ethics/corporate-governance-information/annual-reports/annual-corporate-governance-report/

C CORPORATE MANAGEMENT STRUCTURE

C.1 Board of directors

C.1.1. Maximum and minimum number of directors allowed under the bylaws and number of directors established by the General Shareholders Meeting.

Maximum number of directors	15
Minimum number of directors	5
Number of directors established by the general meeting	9

Remarks

C.1.2. Complete the following table with information about the board members:

Director's name	Representative	Category of director	Office	Date of first appointment	Date of last appointment	Selection procedure	Date of birth
Ricardo Martí Fluxá		Independent	President	08/03/2017	20/04/2023	Re-election by the General Meeting of Shareholders	08/09/1950
Anna M. Birulés Bertrán		Independent	Vocal	08/03/2017	20/04/2023	Re-election by the General Meeting of Shareholders	28/06/1954
Alfonso Rodés Vilà		Independent	Vocal	08/03/2017	20/04/2023	Re-election by the General Meeting of Shareholders	09/08/1961
Juan José Pepa		Proprietary	Vocal	13/04/2022	13/04/2022	Appointment by the General Meeting of Shareholders	18/02/1978
Andreas Segal		Independent	Vocal	27/02/2019	13/04/2022	Re-election by the General Meeting of Shareholders	30/08/1969
Van J. Stults		Proprietary	Vocal	22/10/2019	20/04/2023	Re-election by the General Meeting of Shareholders	30/09/1954
Felipe Morenés Botín Sanz-de Sautuola		Proprietary	Vocal	14/05/2015	20/04/2023	Re-election by the General Meeting of Shareholders	13/02/1986
Aref H. Lahham		Proprietary	Vocal	12/12/2019	20/04/2023	Re-election by the General Meeting of Shareholders	15/02/1965
Borja García-Egotxeaga Vergara		Executive	CEO	08/04/2019	20/04/2023	Re-election by the General Meeting of Shareholders	23/11/1967

Total number of directors	9

Indicate any exits from the board of directors during the reporting period, whether due to resignation or by resolution of the general shareholders' meeting:

Director's name	Category of director upon leaving office	Date of last appointment	Leaving date	Membership of any specialist committees	State whether the director served the full term of office

Cause of exit, if before the end of the term of office and other remarks; information on whether the director has sent a letter to the other members of the Board and, in the case of the exit of non-executive directors, explanation or opinion of the director who has been removed by the General Shareholders' Meeting

C.1.3. Complete the following tables with information about the members of the board and the different categories of director:

EXECUTIVE DIRECTORS

Director's name	Office held in the company's organization chart	Profile
Borja García-Egotxeaga Vergara	Chief Executive Officer	Borja has extensive experience in the field of residential development, project management in real estate and industrial sector and strategic business planning. In June 2016 he joined Neinor Homes as Technical Director of the Northern area, from the developer company Construcciones Gerrikabeitia where he carried out technical management and construction tasks for the group's developments, urban management, land acquisition and sale, planning and general business supervision. Previously, during his first professional stage he was linked to the industrial world in the company Befesa Zinc part of Abengoa Group, where he led the continuous improvement of processes and the environmental situation of the company as Deputy Production and Technical Director, also being responsible for external relations, various management systems and benchmarking with other group factories distributed throughout Europe. He has also been member of the board of directors of companies such as Abengoa, Sondika Zinc and Zindes and collaborator of Aclima and Eurometaux based in Brussels. After graduating from a High School in the USA, Borja studied Industrial Engineering at the Higher School of Industrial Engineers of Bilbao and holds a master's degree in business administration INSIDE from the University of Deusto.

Total number of executive directors	1
% of total board	11.11%

Remarks

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EXTERNAL PROPRIETARY DIRECTORS

Director's name	Name of the significant shareholder represented or who proposed the director's appointment	Profile
Aref H. Lahham	Pyxis V Lux S.À.R.L. (Orion)	Aref H. Lahham is Chief Executive and Founding Partner of Orion Capital Managers and is a member of the Firm's Investment Committee. Based in Orion's London offices, he serves as Orion's Chief Investment Officer, setting strategy and leading Orion's acquisition team and investment activities, as well as directing asset management activities in a significant number of Orion's investments. Mr. Lahham has 37 years of experience in real estate investment and development in the United States and Europe. Prior to forming Orion in 1999, he was a Managing Director of LaSalle Partners, which he joined in 1992 and directed its operations and investment activities in France. Before working for LaSalle Partners, Mr. Lahham was a Project Manager for SEGECE (a subsidiary of BNP group), a French shopping center developer based in Paris. Previously, Mr. Lahham was an International Project Manager and Design Engineer in New York with the structural engineering consulting Leslie E. Robertson Associates. Previously, he was also a member of the Board of Directors and the Strategic Committee of the French listed real estate company, Société Foncière Lyonnaise. Mr. Lahham holds a B.Sc. in Civil Engineering from Purdue University, an M.Sc. in Civil Engineering from Cornell University where he served on the Board of the School of Engineering, and an MBA from INSEAD.
Van J. Stults	Pyxis V Lux S.À.R.L. (Orion)	Mr. Van J. Stults is a Managing Director and a Founding Partner of Orion Capital Managers and is a member of the Firm's Investment Committee. Mr. Stults has 45 years of experience in real estate investment management. Prior to forming Orion in 1999, Mr. Stults was a member of the Board of Directors of LaSalle Partners (now "JLL"), Managing Director, member of the Operating Committee and head of European investment activities. Mr. Stults joined LaSalle Partners in 1984. Prior to LaSalle Partners, he was Assistant Treasurer of Lane Industries, a privately held U.S. family-owned conglomerate, and prior to Lane Industries, he was Commercial Banking Officer at the First National Bank of Chicago.

		Mr. Stults is a member of the Pension Real Estate Association and is a Global Governing Trustee of the Urban Land Institute. Mr. Stults holds a bachelor's degree in economics from Claremont McKenna College and MBA in finance and accounting from the University of Chicago Booth School of Business.
Felipe Morenés Botín Sanz-de Sautuola	Stoneshield Southern Real Estate Holding II, S.à r.l. (Stoneshield)	Felipe Morenés Botín-Sanz de Sautuola is a founding partner of Stoneshield Capital. Previously, he was a director at Lone Star, where he was involved in the fund's investment operations in Europe. Since 2013, he was responsible for the analysis, structuring and supervision of several debt and equity investments. Prior to joining Lone Star, he spent 5 years as an Associate Director at UBS Investment Banking and UBS Credit Structuring Desk in London. During his experience at UBS, he advised on M&A, capital raising and structured finance transactions for banks and hedge funds. Mr. Morenés holds a BA in Political Science and Economics from Georgetown University.
Juan José Pepa	Stoneshield Southern Real Estate Holding II, S.à r.l. (Stoneshield)	Juan Pepa is one of the two founding partners of Stoneshield Investment Funds and currently serves as co-head of the firm. Previously, he worked at Lone Star Funds (from 2008 to 2017) where he was appointed partner and responsible for sourcing, underwriting Real Estate, structuring; also having ongoing oversight of over €10 billion in real estate asset and debt investments across Europe. During this time, Juan was involved in multiple investments in various asset classes such as office, retail, hotel, residential and industrial assets located in several countries including Spain, Germany, UK, Netherlands, France, Belgium and Switzerland. In addition, during his last years at Lone Star, he led the firm's investment in Spain and Portugal. Prior to joining Lone Star, Juan worked in Citigroup's global special situations team. Juan is a graduate of the Universidad de San Andrés (Buenos Aires) and holds an MBA from Babson College in Massachusetts.

Total number of proprietary directors	4
% of total board	44.44%

Remarks

INDEPENDENT EXTERNAL DIRECTORS

Director's name	Profile
Ricardo Martí Fluxá	Mr. Martí Fluxa is Chairman of the Spanish Association of Real Estate Consulting Companies (ACI), of the Spanish Association of Defense, Security, Aeronautics and Space Technologies (TEDAE) and Member of the Board of Directors of Liteyca. He was Secretary of State for Security in the Spanish Government from 1996 to 2000. As a member of the Spanish Diplomatic Career, he held various posts abroad and finally that of Head of Protocol and Activities of His Majesty King's Household. In the private sector, he was, among other positions, Chairman of Industria de Turbo Propulsores, S.A. (ITP), Chairman of Marco Polo Investments, Member of the Board of Directors of Grupo Tomás Pascual, Member of the Advisory Board of the investment bank Arcano Capital, Member of the Board of Directors of Ibersecurities, Member of the Board of Directors of the technology firm IKUSI and member of the Executive Committee and Chairman of the Remuneration Committee of Caja de Ahorros y Monte de Piedad de Navarra. He has also been member of the Governing Board and Secretary of the Fundación Pro Real Academia Española and Chairman of the Royal Board of Trustees of the Museo Nacional Centro de Arte Reina Sofía. He is currently Chairman of the Tomás Pascual Institute for Nutrition and Health, Chairman of the Ankaria Foundation and a member of the Board of Trustees of the Juan March Foundation. Mr. Martí Fluxá holds a law degree from Universidad Complutense de Madrid, studied at the Diplomatic School and is a member of the Madrid Bar Association.
Anna M. Birulés Bertrán	Ms. Birulés is Vice Chairwoman, Independent Director, Chairwoman of the Audit Committee and member of the Executive and Investment Committee of Grupo Pelayo, Mutua de Seguros y Reaseguros a Prima Fija. She is also an Independent Director, Chairwoman of the Compensation and Nominating Committee and member of the Audit and Risk Committee of Banco Mediolanum, and Chairwoman, Independent Director, Chairwoman of the Audit Committee and member of the Compensation and Nominating Committee of Enerside Energy. She has also been Chairwoman of the Audit Committee at Banco Mediolanum, stepping down as Chairwoman due to the expiry of her term of office. She is a member of several corporate advisory boards. At Neinor Homes, after stepping down as Chairwoman of the Audit Committee due to the expiry of her term of office, she was re-appointed Chairwoman of the Audit Committee this year. She is former Minister of Science and Technology of the Spanish Government, former General Secretary of Banco Sabadell and former Vice President of Renta Corporación. With a Ph.D. in Economic Sciences, she began her professional activity in the Department of Industry and Energy of the Generalitat of Catalonia and was General Director of the Information and Business Development Center (CIDEM), as well as President of the Consortium for the Commercial Promotion of Catalonia (COPCA). She was CEO of Retevisión (now owned by Cellnex and Vodafone groups), from where she led the expansion process of the telecommunications operator and its subsidiaries (now owned by Orange). She has been Director of companies from various sectors and geographies. She is a member of the Circle of the Entrepreneurs and the Business Circle. She is closely related to the leading Business Schools; IESE of which she chairs Finaves, the international center to fostering initiatives through seed capital, and Esade, of which she is member of its Professional Advisory Board.

Andreas Segal	Mr. Segal has over 23 years of experience in the Real Estate sector. He is currently a Director of Kojamo plc, Helsinki, the largest private residential real estate investment company in Finland. He was a member of the Board of Directors of several listed companies in this sector, among others, Buwog Group, Bonova S.A., Deutsche Wohnen and GSW Immobilien. Mr. Segal holds a bachelor's degree in business economics from University of Berlin FU (Germany) and a Law Degree. He also has an Advanced Management Program (AMP) from Harvard Business School (Boston, USA).
Alfonso Rodés Vilà	Mr. Rodés is the President of Havas Group Media, President of Havas Group Spain and Director of Havas S.A., a multinational media company which is part of the Vivendi Group and has over EUR 4 billion of market capitalization. Previously, Mr. Rodés was CEO of Media Planning Group ("MPG"). MPG was a company controlled by the Rodés family that merged with Havas in 2001. Mr. Rodés joined MPG in 1996 as Head of Corporate Development, from where he led the group's expansion into Latin America, North America and Asia. He previously developed his professional career in private banking. Mr. Rodés is a Director of Havas S.A. since June 19, 2012. Additionally, he participates in other boards of investment vehicles controlled by the Rodés family.

Total number of independent directors	4
% of total board	44.44%

Remarks

State whether any director categorized as an independent receives any moneys or benefits from the company or its group in respect of any item other than director's remuneration, or maintains, or in the last year maintained, any business relationship with the company or with any company forming part of its group, either on their own behalf or as a significant shareholder, director or senior executive of an entity maintaining, or which may in the past have maintained, any such relationship.

Where appropriate, include a reasoned statement from the board stating the reasons why it considers that the director concerned can nevertheless discharge his/her functions as an independent director.

Director's name	Description of the relationship	Reasoned statement

OTHER EXTERNAL DIRECTORS

Identify any other external directors and state the reasons why they should not be considered either proprietary or independent directors, as well as their links with the company, its management, or its shareholders:

Director's name	Reasons	Company, executive or shareholder with whom the director is related	Profile

Total other external directors	
% of total board	

Remarks

Indicate any changes arising in the category of each director over the period, where applicable:

Director's name	Date of change	Previous category	Current category

Remarks

C.1.4. Complete the following table with information about the number of female directors at the close of each of the last four years, and the category of the directors concerned:

	Number of female directors				% of total directors in each category			
	2024	2023	2022	2021	2024	2023	2022	2021
Executive	0	0	0	0	0%	0%	0%	0%
Proprietary	0	0	0	0	0%	0%	0%	0%
Independent	1	1	1	1	25%	25%	20%	25%
Other external	0	0	0	0	0%	0%	0%	0%
Total:	1	1	1	1	11.1%	11.1%	11.1%	11.1%

Remarks

C.1.5. State whether the company has diversity policies for the board of directors in relation to issues such as age, gender, disability, and professional qualifications and expertise. In accordance with the definition established in the Spanish Audit Act, small and medium-sized enterprises should report at least on the policy established in relation to gender diversity.

☑ Sí ☐ No

If yes, describe the diversity policies, their objectives, the measures implemented and the manner in which they were applied, and the results obtained in the year. You should also indicate the specific measures adopted by the board of directors and the appointments and Remunerations Committee to ensure a balanced and diverse make-up of directors.

If the company does not apply a diversity policy, explain the reasons why not.

Description of the policies, objectives, measures and how they have been implemented, and the results achieved.
The company approved a director selection policy in 2017, which was updated and approved by the Board again on May 10, 2022, which establishes that diversity of knowledge, experience, age and gender will be favoured. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity. A clear equal opportunities policy is adhered to for the avoidance of any kind of discrimination based on gender. Gender is not considered to be grounds for selection under any circumstances, and this also applies to the appointment of directors. Diversity is understood in its broadest sense, covering, by way of example and not exhaustively, aspects such as age, nationality, gender, disability and professional experience and training. In addition, Neinor Homes, in compliance with the Capital Companies Act, in the search for candidates to fill new vacancies, shall favour the diversity of gender, experience, age and knowledge of its directors and shall ensure that there are no implicit biases that may entail any type of discrimination, especially that may hinder the selection of female directors. In this regard, Neinor Homes is aware of the content of recommendation 15 of the Code of Good Governance with regard to the recommended percentage of female directors, which will be duly taken into account with regard to future appointments of new directors or the filling of vacancies on the Board of Directors that may arise. To this end, Neinor Homes shall ensure that there are sufficient candidates in the market that comply with gender diversity, in addition to functional and nationality diversity, and shall endeavour to ensure that, as far as possible, the Company has a significant number of female senior managers. These criteria shall be carried out in the selection process and compliance with them shall contribute to the efficiency of the Board of Directors' decision-making. During the financial year, it was not considered necessary to replace or appoint new directors to deliberately incorporate people who could improve the board's gender balance. This increased balance shall be considered by the Board in the event of the departure or replacement of any of its independent or executive members. In the 2024 financial year, there have been no resignations from the Board, and therefore, the company has not had the opportunity to appoint a female director. On August 1, 2024, Organic Law 2/2024 on equal representation and balanced presence of women and men came into force, which transposes Directive (EU) 2022/2381 into Spanish law, and therefore, the company will implement the necessary measures for its gradual compliance. Additionally, among the various measures considered by the Company to address the underrepresentation of women in management positions, the Company has been implementing several initiatives over the years aimed at fostering greater gender parity and enhancing opportunities to increase the representation of women in executive roles. These initiatives can be summarized as follows: • Objective, independent recruitment and internal promotion processes based on merit and experience. • Implementation of the Equality Plan (registered in the 2024 financial year). • Work-life balance measures that, in general, exceed those offered in the labour market. The policy is available at: https://www.neinorhomes.com/en/corporate/esg/ethics/corporate-governance-information/corporate-governance-policies/director-selection-policy/

C.1.6. Explain any measures adopted by the appointments committee, where applicable, to ensure that selection procedures are free of any bias which might hinder the selection of female directors, and that the company deliberately seeks and includes women meeting the professional profile sought among potential candidates to ensure that it achieves a balanced make-up between women and men. Also indicate whether these measures include encouraging the company to have a significant number of senior managers:

Explanation of the measures
The company approved a director selection policy in 2017, which was updated and approved by the Board again on May 10, 2022, which establishes that diversity of knowledge, experience, age and gender will be favoured. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity. A clear equal opportunities policy is adhered to for the avoidance of any kind of discrimination based on gender. Gender is not considered to be grounds for selection under any circumstances, and this also applies to the appointment of directors. Diversity is understood in its broadest sense, covering, by way of example and not exhaustively, aspects such as age, nationality, gender, disability and professional experience and training. In addition, Neinor Homes, in compliance with the Capital Companies Act, in the search for candidates to fill new vacancies, shall favour the diversity of gender, experience, age and knowledge of its directors and shall ensure that there are no implicit biases that may entail any type of discrimination, especially that may hinder the selection of female directors. In this regard, Neinor Homes is aware of the content of recommendation 15 of the Code of Good Governance with regard to the recommended percentage of female directors, which will be duly taken into account with regard to future appointments of new directors or the filling of vacancies on the Board of Directors that may arise. To this end, Neinor Homes shall ensure that there are sufficient candidates in the market that comply with gender diversity, in addition to functional and nationality diversity, and shall endeavour to ensure that, as far as possible, the Company has a significant number of female senior managers. These criteria shall be carried out in the selection process and compliance with them shall contribute to the efficiency of the Board of Directors' decision-making. The Appointments and Remuneration Committee (ARC) oversees the implementation of the diversity policy in the appointment of the Directors. In this regard, care was taken to ensure the inclusion of women among the candidates and at least one woman among the board members. In compliance with the provisions of the Board Regulations, the selection policy and the group's code of conduct, the ARC includes women with the appropriate professional experience among the potential candidates and ensures that there is no implicit bias in the selection procedures that might hinder the selection of female directors. In the case of a new appointment (independent or executive director, in the event of a balance of skills, knowledge and abilities between two applicants, the female gender will be given priority in the selection process with the aim of achieving greater parity on the Board. New appointments will arise as a result of the departure of existing board members. The company is not currently planning to increase the number of directors as this number is appropriate for the size of the company and its effective and efficient management, as described in the various evaluations of the functioning of the Board and its committees carried out internally or by an independent third party of recognised standing. On August 1, 2024, Organic Law 2/2024 on equal representation and balanced presence of women and men came into force, which transposes Directive (EU) 2022/2381 into Spanish law, and therefore, the company will implement the necessary measures for its gradual compliance. Additionally, among the various measures considered by the Company to address the underrepresentation of women in management positions, the Company has been implementing several initiatives over the years aimed at fostering greater gender parity and enhancing opportunities to increase the representation of women in executive roles. These initiatives can be summarized as follows: • Objective, independent recruitment and internal promotion processes based on merit and experience. • Implementation of the Equality Plan (registered in the 2024 financial year). • Work-life balance measures that, in general, exceed those offered in the labour market. The policy is available at: https://www.neinorhomes.com/en/corporate/esg/ethics/corporate-governance-information/corporate-governance-policies/director-selection-policy/ These measures, along with the search for female profiles, may be reflected in upcoming board member renewals or in the event of an expansion of the board. These measures applied to board members are also extended to senior management with the aim of increasing the representation of the underrepresented gender. In 2023, senior management consisted entirely of males (6/0). Regarding the members of senior management, in line with the Corporate Governance Recommendations, following an

analysis of responsibilities, experience, and merits, the Company has promoted 3 women and 3 men to senior management positions during the 2024 financial year. As a result, the gender balance in 2024 has improved substantially, increasing from 0% to 25% (9/3).

Where there are few or no female directors despite the measures adopted, where applicable, explain the reasons for this circumstance:

Explanation of reasons
The Board has, except for gender, a wide diversity of directors and its number is considered adequate for the size of the company and for its effective and efficient management. The company does not consider it appropriate to resort to a termination of a highly qualified and experienced current Board member in order to reduce the current gender gap on the Board. With a view to future appointments, female applicants should always be considered and, if they are equally qualified, they should be selected with a view to obtaining the representation required by the good governance recommendations.

C.1.7. Explain the appointments committee's findings on its verification of compliance with policy aimed at promoting an appropriate composition of the board of directors.

The Appointments and Remuneration Committee has not reached any conclusions regarding compliance with the selection policy insofar as:

(i) In the 2024 financial year, no board members of any kind were appointed, and therefore, no selection process was carried out in which the selection policy could be applied.

On the removal of any independent director, the Appointments and Remuneration Committee is assisted in the process of searching for and selecting a replacement by an external specialised professional firm, which always includes in its instructions that the profile sought must comply exhaustively with the director selection policy.

C.1.8. Where appropriate, explain the reasons why any proprietary directors were appointed at the proposal of shareholders owning less than 3% of capital:

Shareholder's name	Reason for appointment

State whether the company has refused any formal requests for seats on the board made by shareholders holding interests in share capital equal to or greater than the holdings of other shareholders at whose request proprietary directors were appointed. Where appropriate, explain the reasons why these requests were turned down:

☐ Sí ☑ No

Shareholder's name	Explanation

C.1.9. Indicate the powers and authorizations, if any, including those relating to the possibility of issuing or repurchasing shares, delegated by the Board of Directors to directors or to any of the Board committees:

Director's name	Brief description
Borja García-Egotxeaga Vergara	The CEO has been delegated all the powers of the Board, except those that are legally or statutorily non-delegable (in particular, the power to acquire land).

C.1.10. Where appropriate, list any board members who also hold office as directors or executive positions in other companies forming part of the listed company's group:

Director's name	Group entity's name	Office	Executive functions?
Borja García-Egotxeaga Vergara	NEINOR NORTE, S.L.U. NEINOR PENÍNSULA, S.L.U. NEINOR SUR, S.A.U. RENTAL HOMES PROPCO, S.L.U. NEINOR RENTAL OPCO, S.L.U. NEINOR SARDES RENTAL, S.L.U. QUABIT PALMACES, S.L.U. QUABIT SURESTE, S.L.U. QUABIT REMATE, S.L.U. QUABIT AGUAS VIVAS, S.L.U. GLOBAL QUABIT SUR, S.L.U. QUABIT CASARES GOLF RP5, S.L.U. IBER ACTIVOS INMOBILIARIOS, S.L. PARQUE LAS CAÑAS, S.L.U. QUABIT COMUNIDADES, S.L. QUABIT INMOBILIARIA INTERNACIONAL, S.L. EUROPA RENTAL HOMES PROPCO, S.L.U. RENTAL HOMES HOLDCO, S.L.U. BLUEWOOD HOLDING IBERIA, S.L.U. SUNDOWNER HOLDING IBERIA, S.L.U.	Sole Director	Yes
Borja García-Egotxeaga Vergara	PROMOCIONES NEINOR 3, S.L.U. NEINOR WORKS, S.L.U. PROMOCIONES NEINOR 5, S.L.U.	Joint Director	Yes
Borja García-Egotxeaga Vergara	ALBORAYA MARINA NOVA, S.L.	Natural person representative of Director	Yes
Borja García-Egotxeaga Vergara	PROGRAMAS ACTUACION BALEARES, S.L.	Individual representative of Joint Administrator	Yes
Borja García-Egotxeaga Vergara	QUABIT CONSTRUCCIÓN, S.A.	Director	Yes

Remarks

C.1.11. Give details of any positions of director, administrator or executive, or representatives thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether they are listed companies:

Identification of the director or representative	Company name of the entity, whether listed or unlisted	Office
Anna M. Birulés Bertrán	Banco Mediolanum	Independent Director (*)
Anna M. Birulés Bertrán	Pelayo Mutua de seguros y Reaseguros a prima fija	Vice Chairwoman Independent Director (*)
Anna M. Birulés Bertrán	Enerside Energy	Chairwoman Independent Director (*)
Anna M. Birulés Bertrán	Finaves V apoyo start-ups alumni S.L.	Chairwoman Independent Director (*)
Andreas Segal	Kojamo Oyj	Independent Director (*)
Ricardo Martí Fluxá	Asociación de Empresas de Consultoría Inmobiliaria (ACI)	President (*)
Ricardo Martí Fluxá	Asociación Española de empresas tecnológicas de Defensa, Seguridad y Espacio (TEDAE)	President (*)
Ricardo Martí Fluxá	Liteyca	Director
Ricardo Martí Fluxá	Accuracy	Member of the Advisory Board
Ricardo Martí Fluxá	Fundación Juan March	Member of the Board of Trustees
Ricardo Martí Fluxá	Fundación Ankaria	President
Alfonso Rodés Vilà	Havas	Administrator and Director
Alfonso Rodés Vilà	Arena Media SRL (Italie)	President
Alfonso Rodés Vilà	Havas Media SRL (Italie)	President
Alfonso Rodés Vilà	Havas Media Middle East FZ LLC (Dubai)	Director
Alfonso Rodés Vilà	Havas Media Peru SAC	Director
Alfonso Rodés Vilà	Arena Media Peru SAC	Director
Alfonso Rodés Vilà	Havas+ SAC Peru	Director
Alfonso Rodés Vilà	Havas Management Portugal, Unipesrsoal Lda	Director
Alfonso Rodés Vilà	Cake Media Ltd. (UK)	Director
Alfonso Rodés Vilà	Media Planning International Corporation (USA)	Director
Alfonso Rodés Vilà	Havas Media South Africa (Pty) Ltd (Sudáfrica)	Director
Alfonso Rodés Vilà	Havas Media Group Spain SA	President and Managing Director (*)
Alfonso Rodés Vilà	Havas Management España SL	Director
Alfonso Rodés Vilà	Havas Media Group USA	Manager
Alfonso Rodés Vilà	Havas Costa Rica SA	Secretary
Alfonso Rodés Vilà	Fusión de Producción Digital SA (Costa Rica)	Secretary
Alfonso Rodés Vilà	Promótica de Costa Rica, SA	Secretary
Alfonso Rodés Vilà	Arena Media, SA (Costa Rica)	Secretary
Alfonso Rodés Vilà	Inversiones y Servicios Publicitarios, S.L.	Director (*)
Alfonso Rodés Vilà	Acacia ISP, S.L.	Joint administrator
Alfonso Rodés Vilà	Gestora de Viviendas, S.A.	Joint administrator
Alfonso Rodés Vilà	Metrópolis	Director
Alfonso Rodés Vilà	In-Store Media Group S.A.	Director
Alfonso Rodés Vilà	In-Store Media Mexico S.A. de C.V.	Director
Alfonso Rodés Vilà	Cala Thunder S.L.	Joint administrator
Alfonso Rodés Vilà	Mesigual 2020 S.L.	Director

Remarks
In the table above, the symbol "(*)" next to a position description indicates that the activity is remunerated.

Indicate, if applicable, any other remunerated activities of the directors or representatives of directors, whatever their nature, other than those indicated in the above table.

Identification of the director or representative	Other remunerated activities

Remarks

C.1.12. State whether the company has established any rules with regard to the maximum number of company boards on which its directors may hold seats, and where appropriate explain such rules, indicating where such they are established:

☑ Sí ☐ No

Explanation of rules and identification of the document establishing the same
In accordance with the Board's Regulations, the directors may not hold seats on more than four boards of other listed companies (aside from the company itself).

C.1.13. State the total amounts paid out in respect of the following directors' remuneration items:

Remuneration accruing to the Board of Directors during the year (thousands of euros)	2,667
Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)	N/A
Amount of funds accumulated by current directors for long-term savings schemes with non-vested economic rights (thousands of euros)	N/A
Amount of funds accumulated by former directors through long-term savings schemes (thousands of euros)	N/A

Remarks

C.1.14. Identify any senior managers who are not also executive directors, and state the total remuneration earned by the same during year:

Name or company name	Office
Jordi Argemí García	Deputy CEO and Chief Financial Officer
Jorge Pepa	Chief Development Officer
Mario Lapiedra Vivanco	Chief Investment Officer
Gabriel Sánchez Cassinello	Chief Business Officer
Fernando Hernanz de Dueñas	Chief Operating Officer

cve: BOE-A-2018-9935
Verificable en http://www.boe.es

Ana Teresa Larrea	Back Office Director
Silvia Álvarez Gonzalez	Marketing Director
Aiala Zubiaur	Strategy Director
José Cravo	Chief Investor Relations Officer
Joaquín Joven	Corporate Director
David Hernandez Segado	Chief Legal Officer
Álvaro Conde Herranz	Governance, Risk and Compliance, Internal Audit and ESG Director

Number of women in senior management	3
Percentage over total number of senior managers	25%

Total remuneration of senior management (in thousands of euros)	8,732

Remarks

The amount shown in the table above represents the total remuneration accrued by Senior Management in the 2024 financial year, which includes the gross salary earned, the bonus accrued in 2024 (paid in February 2025), and the incentive accrued for the 2024 financial year under the MIP 2023-25, which will also be paid in 2025.

In addition to the remuneration accrued by Senior Management in the 2024 financial year, we must report that the payment of two incentive plans was realized during 2024. The first, in shares, was due to the achievement of the second year of the LTIP (2020-2022) targets, and the second, in cash, corresponds to the second year of the MIP (2023-2025), both plans explained in section B.7 of the IAR. The total amount received by Senior Management for these plans in 2024, accrued in previous years, amounts to €4,978 thousand.

C.1.15. State whether there have been any changes in the board's regulation during the year:

☑ Sí ☑ No

Description of changes

The Board's Regulations were approved on March 8, 2017, prior to the Company's listing on the stock exchange. Its most recent update was on December 10, 2024, to align it with the Technical Guide on Audit Committees.

C.1.16. Explain the procedures in place for the selection, appointment, resell action and removal of directors. Indicate the competent bodies, the procedural steps involved and the criteria applicable to each procedure.

Selection:

The company has approved a Directors Selection Policy, which sets out the selection procedure. In accordance with this policy, the selection process shall be based on a prior analysis of the Company's needs by the Board of Directors assisted by the Appointments and Remunerations Committee. The Appointments and Remunerations Committee shall define the candidates' functions and skills and shall assess the time and dedication required for each vacancy, so as to ensure that the eventual appointee is able appropriately to discharge his/her responsibilities. The Company may seek external advice to complete its needs analysis and/or its annual assessment of compliance with the selection policy.

With regard to the criteria for the selection or re-election of directors, candidates shall meet the conditions established in point 3.2 of the policy (i.e. they must be reputable persons of acknowledged ability and professional solvency, with the appropriate experience, qualifications, training, availability and commitment to discharge the office concerned. In addition, they must be fluent in both Spanish and English in order to perform their duties properly. They must also be professionals of integrity, whose conduct and professional trajectory are in line with the principles set forth in the company's Code of Ethics and who do not meet the incompatibility requirements indicated in that section.

Additionally, in the evaluation of the Board for the 2018 financial year, among the measures that had be taken by the Appointments and Remuneration Committee, one of them was the definition of the characteristics that the directors had to comply with in their profile, as detailed below:

- Honourable, honest, upright person of good repute.
- Experience and qualified training in the following areas, preferably:
  - ✓ Real estate sector and market (transactions and regulations)
  - ✓ Finance and accounting.
  - ✓ Risk control and management.
  - ✓ Cybersecurity and digital transformation.
  - ✓ Sustainability and non-financial information.
  - ✓ Capital market and financing.
- Experience in administrative, management, control or advisory functions to other companies.
- Availability and commitment to perform their role.
- Fluent in Spanish and English.
- Professional career in line with the principles set out in the company's Code of Ethics.
- No conflicts of interest with Neinor Homes or with companies in the sector that are competitors.
- Not involved in any case of incompatibility or prohibition established in the applicable law.
- Not affecting for any reason the image and reputation of Neinor Homes or putting at risk, in any other way, the company's interests, including not having a criminal record or accusation in legal proceedings.

The Company shall foster diversity in terms of gender, experience and expertise among the directors and shall ensure that no implicit bias exists such as might result in any kind of discrimination, especially where this might hinder the selection of female directors.

Appointment and re-election:

The directors are appointed by the General Shareholders Meeting or may be co-opted by the Board of Directors, subject to a report from the Appointments and Remunerations Committee, or in the case of independent directors at the proposal of said committee.

The directors shall hold office for a term of three years, at the end of which they may be reselected one or more times for the same maximum term.

Directors co-opted onto the Board shall hold office until the next General Shareholders Meeting held after their appointment, and they shall resign their office in the event that said appointment is not ratified at the General Shareholders Meeting.

Before proposing the re-election of directors to the General Shareholders Meeting, the board shall assess the quality of the work carried out and the dedication to their office shown by the directors proposed during their previous term in office, who shall absent themselves from said assessment.

With regard to the criteria for the selection or re-election of directors, firstly, candidates shall meet the conditions established in point 3.2 of this Policy.

In addition, Neinor Homes, in compliance with the Capital Companies Act, in the search for candidates to fill new vacancies, shall favour the diversity of gender, experience, age and knowledge of its directors and shall ensure that there are no implicit biases that may entail any type of discrimination, especially that may hinder the selection of female directors. In this regard, Neinor Homes is aware of the content of recommendation 15 of the Code of Good Governance with regard to the recommended percentage of female directors, which will be duly taken into account with regard to future appointments of new directors or the filling of vacancies on the Board of Directors that may arise. To this end, Neinor Homes shall ensure that there are sufficient candidates in the market that comply with gender diversity, in addition to functional and nationality diversity, and shall endeavour to ensure that, as far as possible, the Company has a significant number of female senior managers. These criteria shall be carried out in the selection process and compliance with them shall contribute to the efficiency of the Board of Directors' decision-making.

The proposal of candidates for director may be made by any director, provided that the person meets the conditions established in point 3.2 of this Policy, although it is the ARC that will analyse the suitability of the candidacy in accordance with the guidelines of this Policy, to subsequently submit it to the Board of Directors, who will formally approve it. As part of the selection process, the ARC, or at least its chairman or one of its members, shall meet with each of the candidates for board members before issuing its report or proposal, recording the meetings and at least the evaluation of the final candidates or those considered suitable in the minutes of the ARC meetings.

The candidate shall also be required to provide sufficient information about the rest of his or her activities and any potential conflicts of interest that may affect him or her, so that the ARC can assess the effect they may have on the candidate's ability to perform his or her duties under the stipulated conditions or on his or her current or future independence, and his or her formal acceptance in writing of the Group's policies for directors shall be sought.

Assessment:

With regard to assessment, Article 18 of the Regulation of the Board of Directors requires the Board annually to assess (i) its functioning and the quality of work; (ii) the discharge by the Chairman and the Chief Executive Officer of their functions as such, based on the report issued by the Appointments and Remunerations Committee; (iii) the diversity of the Board's members and the skills of the directors; and (iv) the functioning of the Board Committees based on the reports issued by the same. For these purposes, the Chairman of the Board of Directors shall organize and coordinate the assessment process with the Chairs of the Board Committees.

Every three years, the Board of Directors shall be assisted in its evaluation by an external consultant, whose independence shall be verified by the Appointments and Remunerations Committee.

Based on the results of the annual assessment, the Board of Directors may propose an action plan to correct any weaknesses observed in relation to the quality and efficiency of the Board's functioning, the functioning and membership of committees, diversity, the work of the Chairman and of the Chief Executive, and the work and contributions made by each director.

Removal:

The directors shall cease to hold office when the term for which they were appointed ends, or where so decided by the General Shareholders Meeting.

Directors must place their position at the disposal of the Board of Directors in the cases mentioned in Article 21.2 of the Board Regulations (see section C.1.21 below).

The Board of Directors may only propose the removal of an independent director before the end of his/her statutory term of office upon sufficient grounds, established by the Board of Directors subject to a report by the Appointments and Remunerations Committee. The removal of independent directors may also be proposed because of a public takeover bid or of mergers and other similar corporate operations that would result in changes in the company's capital structure, provided such changes arise in line with corporate good governance recommendations applicable to the Company from time to time.

C.1.17. Explain the extent to which annual Board assessments have resulted in significant changes in its internal organization and in the procedures applicable to its activity:

Description of modifications s

In accordance with the provisions of Article 529 *nonies* of the Spanish Companies Act (LSC) and Recommendation 36 of the Good Governance Code, as well as with Technical Guide 1/2024 of the CNMV regarding the Audit Committee, the Company, in the last quarter of the financial year, conducted an internal evaluation of the functioning of the Board and its respective Committees, following the best national and international market practices.

The evaluation carried out has been linked to an action plan for improvement measures.

The evaluation of the Board has not led to major changes in its internal organisation, as the Board and the respective Committees have been assessed as functioning very positively and in line with the best practices of good governance of public interest companies.

The main conclusion of the evaluation was the same as last year's, when an external evaluation was conducted, namely that "*Neinor Homes has a solid governance model, characterized by a unified, active, and dedicated Board of Directors, with high professional and human value, who have complementary knowledge and experience, which helps to enrich the debate and contributes to the proper functioning and efficiency of the different administrative bodies.*"

The strengths identified in the evaluation of the Board are as follows:

1. Board members demonstrate a high level of commitment, ensuring their active and punctual participation in the company's strategic functions.
2. Board functioning:
   - Adequate frequency of meetings to fulfil its functions
   - Sessions that allow for open and constructive discussions
   - Complete and clear minutes of the meetings
3. Independence of the Board and its Committees, ensuring objectivity in decision-making:
   - Majority of Independent Directors in key committees, including their chairmanship
   - Assurance of independence and effectiveness of internal audit and compliance functions

- Periodic evaluation of the independence of the directors

4. Smooth relationship between the Board and Senior Management:
   - Effective communication and proper supervision of delegated strategic decisions
5. Commitment and competencies of the directors: The high level of competence and experience of the directors ensures sound decision-making and a valuable contribution to the company's strategic development.
6. The Committees operate highly efficiently and effectively, supporting strategic decision-making and ensuring regulatory compliance in their respective areas of responsibility.
7. Quantity and detail provided by the company regarding Corporate Governance and Compliance through its website or its financial and non-financial reporting.
8. Performance and progress on the company's ESG aspects.

The improvement actions outlined in the action plan are as follows:

1. Aim to achieve a majority of Independent Directors on the Board.
2. Continue developing the Succession Plan.
3. Increase the representation of female directors on the Board.
4. Work towards improving, where possible, the timely delivery of documentation for Board meetings.
5. Provide the Board with regular updates on the progress and management of each JV (Joint Venture) and, when possible, enhance the flow of information regarding the performance of subsidiaries.
6. Increase training opportunities for Board members.

Describe the assessment process and the areas evaluated by the Board of Directors with the assistance, where applicable, of an external consultant, with respect to the functioning and membership of the board and its committees, and any other area or issue subject to assessment.

The evaluation of the functioning of the Board and its Committees has been carried out internally by the company's GRC, Internal Audit and Sustainability Department in financial years 2018, 2019, 2021, 2022 and 2024.

In financial years 2020 and 2023, being the third year of such evaluation, it was carried out externally, relying on consultants of recognised prestige, PwC and Georgeson respectively, in accordance with the provisions of article 18.3 of the Regulations of the Board of Directors of Neinor Homes and recommendation 36 of the Good Governance Code of Listed Companies of the CNMV (Spanish National Securities Market Commission).

In the current financial year, the evaluation process has been carried out internally for the following reasons:

- Greater accessibility to internal confidential information.
- Deeper review, as the scope of external evaluations is limited for the objectives of Neinor Homes.
- Flexibility to adapt to the availability of Board members.
- Availability of internal resources with extensive knowledge of the company and experience in Corporate Governance to conduct the evaluation.
- High level of satisfaction with the four evaluations previously conducted internally.

Given that:

- ✓ The company has been conducting detailed and thorough reviews for six years (four internally and two by external experts, PwC and Georgeson).
- ✓ The conclusions are consistent, and the results of the evaluation of the four components (diagnosis, self-assessment questionnaire, benchmarking, and internal audit review) are very positive.
- ✓ No changes have been made to the composition of the Board.
- ✓ The dynamics and practices of the Board have remained unchanged compared to previous years.
- ✓ Over these years, the company's bylaws, policies, and internal regulations have been continuously updated in accordance with new regulations issued and approved.

This year, to improve efficiency and minimize disruptions to the normal functioning of the Board and the engagement of its members, we have conducted a more focused internal analysis from the perspective of internal audit.

The evaluation process has been carried out by assessing 6 key areas using a questionnaire consisting of 38 questions, focused on the main concerns regarding the functioning and effectiveness of the Board and its Committees:

1. Structure and composition of the Board of Directors
2. Functioning and dynamics of the Board of Directors
3. Effectiveness of the Board of Directors
4. Commitment, competencies, and training of the Directors
5. Independence and compliance of the Board of Directors
6. Relationship between the Board and Senior Management
7. Evaluation of the different Committees

Each question was rated on a scale from 1 to 5, where 1 represents the lowest score and 5 the highest, based on the experience of our team in corporate governance, knowledge of the company, comparison with regulations, review of other companies, analysis of meeting minutes, attendance at certain Committee meetings, analysis and review of the documentation presented and maintaining open communication with the Board members.

The results of this year's evaluation (the company's seventh evaluation) have been very similar to those of previous evaluations, both internal and external. All evaluations have resulted in outcomes that position the company clearly above comparable companies in terms of corporate governance, complying with and aligning with best international practices.

C.1.18. For those years in which evaluations were assisted by an external consultant, describe the business relations maintained by the consultant or any entity forming part of its group with the company or any group company.

As previously explained, this year the evaluation was conducted internally.

Regarding the years in which the evaluation was assisted by an external consultant:

The evaluation carried out in financial year 2020 was the first to be assisted by an external consultant, PricewaterhouseCoopers S.L. (PwC).

The business relationships maintained with this consultant or any of its group companies in financial year 2020 are detailed below, in addition to the actual work of assisting in the evaluation of the Board and its Committees:

- Limited review and testing of the effectiveness and efficiency of the controls established in the company's internal Financial Information Control System.
- Support in the review of operations of analysis on the prevention of money laundering.
- Advising on the integration and procedure of companies acquired in the current financial year.
- Review and prior analysis of the legal, tax, labour and financial aspects of companies acquired or merged by the company.
- Advice and analysis of the servicing market at national level.

The amount of the business relations that the external consultant maintained with the company and its group companies in the financial year 2020, and which have been detailed above, amounted to 629 thousand euros.

The evaluation carried out in the 2023 financial year was the second time that an external consultant, Georgeson S.L., assisted the company.

In addition to the work of assisting in the evaluation of the Board and its Committees, in financial year 2023 the only business relationship maintained with this consultant or any company in its group was the identification of shareholders. The amount of such business relationship amounted to 6 thousand euros.

C.1.19. Describe the circumstances in which directors are obliged to resign.

Directors must tender their resignations to the Board of Directors in the following circumstances:

- when they cease to hold the executive positions with which their appointment as directors was associated;
- when they are affected by any case of incompatibility or disbarment established by law or in the bylaws.
- when they are admonished by the Board of Directors for infringing any of the obligations incumbent upon the directors;
- when their continuance as members of the Board could jeopardize or harm the interest, credit or reputation of the Company, or where the reasons for their appointment are removed, including, without limitation, as a result of significant changes in their professional situation or in the conditions under which they were appointed to their

directorship;

- when they are prosecuted for any offence or are the subject of disciplinary proceedings instigated by the supervisory authorities in relation to any serious or very serious offence;
- in the case of proprietary directors, (i) when the shareholder represented sells its entire shareholding or materially reduces said the same, or (ii) by the requisite number, when the shareholder represented reduces its shareholding to a level requiring a reduction in the number of proprietary directors;
- when a director is a member of more than four Boards of Directors of other listed companies (aside from the Company);
- when alleged wrongdoing by a director means that his/her continuance could be seriously detrimental to equity or corporate the reputation in the Board's opinion.

C.1.20. Are qualified majorities other than those established by law required for any decisions?:

☑ Sí ☐ No

Describe the differences, where applicable.

Description of differences
Article 17.4 of the Regulations of the Board of Directors states that: Except where the law or the Articles of Association specifically establish other voting rules, resolutions shall be adopted by absolute majority of the directors present at the meeting. In particular, the appointment, removal and agreements to terminate of CEOs, as well as the previous approval of contracts to be entered into between the Company and directors who are given executive functions will require the favorable vote of at least two thirds of the members of the Board, with the abstention, where applicable, of the affected director. In the event of a tie, the Chairman will not have a casting vote. The Capital Companies Law indicates that a majority is sufficient for the appointment or removal of the Chief Executive Officers.

C.1.21. State whether any specific conditions exist for appointment as chairman the board other than those applicable to directors.

☐ Sí ☑ No

Description of conditions

C.1.22 State whether the bylaws or the Board's Regulations establish any age limits for directors:

☐ Sí ☑ No

☐ Edad límite presidente ☐ Edad límite consejero delegado ☐ Edad límite consejero

Remarks

C.1.23. State whether the bylaws or the Board's Regulations establish any limits on mandates or other stricter requirements in addition to the conditions established by law or applicable regulations for independent directors:

☐ Sí ☑ No

Additional requirements and/or maximum term of mandates in years	

C.1.24. State whether the bylaws or the Board's Regulations establish any specific rules for proxy votes by other directors at board meetings, the procedure for the issue of proxies and in particular, the maximum number of proxies a director may hold. Likewise, state whether any restrictions exist regarding the categories of director to whom proxies may be issued above and beyond the restrictions established by law. Where appropriate, provide a brief description of the rules.

Neither the bylaws nor the Board's Regulations establish any specific rules for proxy votes at Board meetings, and there are no restrictions with regard to the categories of directors to whom proxies may be granted above and beyond the restrictions established by law.

C.1.25 State the number of meetings held by the board of directors during the year. Where appropriate, indicate the number of board meetings that were not attended by the chairman. In this computation, the chairman should be treated as attending where represented by proxy with specific instructions.

Number of board meetings	15
Number of board meetings not attended by the chairman	0

Remarks

State the number of meetings held by the coordinating director with the other directors but not attended by the CEO either in person or by proxy.

Not applicable because the chairman is not an executive director.

Number of meetings	-

State the number of meetings held by the different board committees during the year:

Number of meetings of the executive or steering committee	- *
Number of meetings of the audit committee	8
Number of meetings of the appointments and remunerations committee	4
Number of meetings of the appointments committee	- *
Number of meetings of the remuneration committee	- *
Number of meetings of the Land Investment Committee (LIC)	4

* Not applicable, because this committee does not exist in the company.

Remarks

C.1.26. State the number of meetings held by the board of directors during the year and the attendance data for the board members:

Number of meetings attended in person by at least 80% of directors	15
% attendance in person / total votes cast during the year	95.07%
Number of meetings attended by all directors either in person or by proxies issued with specific instructions	15
% of votes cast by directors in person or by proxies issued with specific instructions / total votes cost during the year	98.65%

Remarks

C.1.27 State whether the individual and consolidated annual accounts presented to the board for approval are previously certified:

☐ Sí ☑ No

Where appropriate, identify the person(s) who certified the individual and consolidated annual accounts of the company for preparation by the board:

Name	Office

Remarks

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the annual accounts submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

In accordance with Article 39.3 of the Board's Regulations, the Board of Directors shall endeavour to the prepare the final annual accounts in such manner as to ensure that there is no need for the auditor to include any emphasis of matter or qualifications in the opinion issued. In the exceptional cases where emphasis of matter paragraphs or qualifications may exist, both the Chair of the Audit and Control Committee and the external auditors shall provide the shareholders with clear explanations as to the contents of the same. Where the Board considers that it must maintain its stance, it shall publicly explain the meaning and extent of the difference of opinion.

Article 9.1(d) of the Audit and Control Committee Regulation expressly requires the Committee to ensure that the Board of Directors is able to present the financial statements to the Annual General Meeting without scope limitations or qualifications and, in the exceptional cases where such may exist, the Chair of the Audit and Control Committee and the external auditors shall clearly explain to the shareholders of the meaning and extent of such scope limitations and qualifications.

In accordance with Article 9.6(e) of the Audit and Control Committee Regulation, the Committee shall meet periodically with the external auditor (once in the planning phase before audit procedures begin and once after the audit in the drafting phase for reports). At least one such meeting each year shall be held without the presence of any members of the Company's management team to debate audit tasks and any issues arising from the audit procedures carried out.

C.1.29. Is the secretary to the board a director?

☐ Sí ☑ No

Complete the following table if the secretary is not a director:

Secretary's name	Representative
Silvia López Jiménez	Silvia López Jiménez

Remarks

C.1.30. Describe the specific mechanisms established by the company to protect the independence of external auditors, as well as the mechanisms, if any, to protect the independence of financial analysts, investment banks and rating agencies, including a brief explanation of how the pertinent legal provisions were implemented in practice.

The company has established selection, approval and evaluation procedures for all relevant providers to support and ensure transparency in tender processes.

Regarding the services concerned in this section, the company retains the services of external auditors applying the procedures mentioned in the preceding paragraph on the same basis as for other service providers.

Additionally, in order to preserve the independence of external auditors, the company has established and approved by the Audit and Control Committee:

- Employment policy for former employees of the Company's auditor
- Policy on provision of non-audit services by the external auditor
- Annual internal audit report on the independence of the external auditor
- Committee report on the effectiveness and functioning of the external audit
- Statement/Annual independence report provided by the external auditor

Services performed by external auditors that are not limited to the review of the annual accounts or interim financial statements require the approval of the audit committee to ensure that they do not affect the auditor's independence.

The company's Governance, Risk and Compliance management ensures compliance with these policies.

C.1.31. State whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

☐ Sí ☑ No

Outgoing auditor	Incoming auditor

Remarks

State whether there were any disagreements with the outgoing auditor and explain their content:

☐ Sí ☑ No

cve: BOE-A-2018-9935
Verificable en http://www.boe.es

Explanation of disagreements

C.1.32. State whether the audit firm carries out any other non-audit work for the company and/or its group, and if so state the fees paid for such work in absolute terms and as a percentage of the total fees billed by the auditor to the company and/or its group:

☐ Sí ☑ No

	Company	Group companies	Total
Cost of other non-audit work (thousands of euros)			
Amount of non-audit work / Total amount invoiced by the audit firm (in %)			

C.1.33. State whether the auditor's report on the annual accounts for the prior year contained any emphasis of matter paragraphs or qualifications. Where applicable, state the reasons offered by the chairman of the audit committee to the shareholders at the annual general meeting to explain the contents and scope of such qualifications.

☐ Sí ☑ No

Explanation of reasons and direct link to the document made available to shareholders at the time of the call in relation to this matter

C.1.34. State the number of consecutive years for which the current audit firm has examined the individual and/or consolidated annual accounts of the company. Also, state the number of years examined by the current auditor as a percentage of the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	10	10

	Individual	Consolidated
Number of years examined by the current audit firm / Number of years in which the company has been audited (%)	100%	100%

Remarks
In relation to the rotation obligation, according to the regulation, the 10-year period is calculated from the year an entity meets the definition of a PIE, which in our case is 2017, coinciding with the company's listing. This is regulated in the "**CONSULTA 1 Boicac 111 / September 2017**" and "**BOICAC Nº 109/2017 CONSULTA 3**" inquiries. Regarding the auditor's tenure, as of December 31, 2024, for our purposes, we always consider 10-year period, from 2015 to 2024 inclusive. A report is issued for each year, considering the full 12-month fiscal year, and this is submitted to the ICAC by our auditor. Thus, **in 2026 it will be mandatory to call a tender to review the proposals for auditing services, in preparation for the potential change or renewal of auditors for the audit of the 2027 financial statements**. This change may occur in any fiscal year, as renewals are annual and the company may bring forward the tender by one year to facilitate

the cooling-in period and avoid any potential conflicts of interest with the services provided by the incoming auditor in the previous fiscal year.

C.1.35. State whether there is any procedure to ensure that the directors are provided sufficiently in advance with the necessary information to prepare meetings of the governing body, and where applicable explain such procedure:

☑ Sí ☐ No

Description of procedure
In accordance with Article 16 of the Board's Regulations, calls for meetings of the Board of Directors must be issued at least 72 hours prior to the date of the meeting, accompanied by all relevant information duly prepared and summarized. In practice, both calls and the documentation for meetings are sent 6-7 days in advance using a restricted tool to which only the directors have access, in order to guarantee information security. The agenda for board meetings shall indicate clearly the points on which the board of directors is required to adopt a decision or resolution, so that the directors can examine or obtain the necessary information in advance. Moreover, Article 23 of the Regulation permits the directors to request information on any matter falling within the purview of the Board of Directors and to examine the books, ledgers, documents and other documentation. Requests for information must be addressed to the Secretary of the Board of Directors, who will submit them to the Chairman of the Board and to the appropriate interlocutor in the Company. The Secretary shall advise the director concerned of the confidential nature of the information requested and received, and of his/her duty of confidentiality pursuant to the Regulation. The Chairman may refuse to provide the information where he considers (i) that it is not needed for the proper discharge of the functions incumbent upon the director, or (ii) that the cost is not reasonable in view of the importance of the problem and the Company's assets and revenues.

C.1.36. Indicate whether the company has established rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether related to their actions in the company, which could damage the company's credit and reputation:

☑ Sí ☐ No

Explanation of rules
The Board Regulations, in Article 21.2 (iv), state that directors must place their positions at the disposal of the Board of Directors and, if deemed appropriate, submit their resignation when their continued presence on the Board may jeopardize or harm the interests, credit, or reputation of the company. In such cases, the director concerned shall explain the reasons in a letter addressed to all members of the Board, and the reason for the resignation will also be disclosed in the Annual Corporate Governance Report.

C.1.37. Indicate, unless special circumstances have arisen which have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether related to his or her performance in the company itself, which could damage the company's credit and reputation:

☐ Sí ☑ No

Director's name	Nature of observation	Remarks

In the above case, indicate whether the board of directors has examined the case. If the answer is affirmative, explain in a reasoned manner whether, in view of the specific circumstances, it has adopted any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his removal.

Also indicate whether the board's decision has been reported to the appointments committee.

☐ Sí ☐ No

Decision adopted / action taken	Reasoned explanation

C.1.38. List any agreements entered by the company, which will come into force, be amended, or be terminated in the event of a change in control of the company resulting from a public takeover debate and its effects.

Most of the financing contracts entered into by the company with financial institutions include change of control clauses that establish either the need for the creditor's prior consent to the change of control or early maturity of the financing.

C.1.39. Indicate any agreements between the company and its directors, managers and employees, which provide for compensation, guarantees or golden parachutes in the event of resignation or unfair dismissal, or where contractual relations are terminated as a consequence of a public takeover bid or any other type of corporate transaction. These agreements should be identified individually in the case of directors and on aggregate in other cases.

Number of beneficiaries / Type of beneficiary	Description of the agreement
CEO and part of the Management Committee.	In the event of termination of the contract by the Company, unless such termination is due to a serious and culpable breach by the beneficiaries of the obligation's incumbent on them by law or contract, the beneficiaries shall be entitled to receive compensation equivalent to two years of their last stipulated fixed salary.

State whether these agreements must be reported to and/or approved by the company's management bodies or by the group in any cases other than those established by applicable law. If so, specify the procedures, the case is concerned and the nature of the management bodies responsible for approval and for reporting:

	Board of directors	General Meeting
Body authorizing clauses	X	

	YES	NO
Are these clauses reported to the General Shareholders Meeting?		X

Remarks

C.2. Board of committees

C.2.1. List all board committees, their members and the proportion of executive, proprietary, independent and other external holding seats on the same:

There is no Executive or Steering Committee.

EXECUTIVE COMMITTEE

Name	Office	Category
-	-	-

% executive directors	
% proprietary directors	
% independent directors	
% other external directors	

Remarks

Explain any functions delegated or assigned to this committee other than those already mentioned in section C.1.9 above and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws or any other corporate agreements in practice.

AUDIT COMMITTEE

Name	Office	Category
Anna M. Birulés Bertrán	Chairwoman	Independent Director
Ricardo Martí Fluxá	Vocal	Independent Director
Alfonso Rodés Vilá	Vocal	Independent Director
Van J. Stults	Vocal	Proprietary Director
Felipe Morenés Botín-Sanz de Sautuola	Vocal	Proprietary Director

% executive directors	0%
% proprietary directors	40%
% independent directors	60%
% other external directors	0%

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

Procedures and rules governing organization and functioning:

Article 42 of the Company's Bylaws is as follows:

1. The Board of Directors will constitute a permanent Audit and Control Committee, an internal body of an informational and consulting nature, with no executive functions, with information, advisory and proposal-making powers within the scope of action indicated in section 5 of this article. The Audit and Control Committee shall have a minimum of three and a maximum of five members, appointed by the Board of Directors itself, all of whom, and especially its Chairman, must have knowledge and experience in accounting, auditing and risk management, both financial and non-financial. The majority of the members of the Audit and Control Committee shall be independent.
2. The Board of Directors shall appoint the Committee's Chair from among the independent directors holding seats on the same. The Board of Directors shall likewise appoint a Deputy Chair where considered appropriate. The Deputy Chair shall be appointed under the same conditions as the Chair.
3. The office of Secretary to the Audit and Control Committee will be held by the person appointed by the Board of Directors. The secretary need not be a full member of the Audit and Control Committee, in which case it will not be necessary for the Secretary to be a member of the Board of Directors. The Secretary to the Audit and Control Committee need not be the same person as the Secretary to the Board of Directors.
4. The directors holding seats on the Audit and Control Committee shall discharge their functions while they continue in office as directors of the Company, unless otherwise agreed by the Board of Directors. The renewal, re-election and removal of the directors holding seats on the Committee shall be governed by the pertinent resolutions of the Board of Directors.

   The office of Chair shall be held for a maximum term of four years, after which period the outgoing Chairman shall not be reselected until at least one year has passed since his/her termination, notwithstanding his/her continuation or re-election as a member of the Committee.
5. Notwithstanding any other tasks that may be assigned to it by the Board of Directors from time to time, the Audit and Control Committee shall have the following basic functions:

   (i) To report to the General Shareholders Meeting on any questions raised by the shareholders within the remit of the Committee and, in particular, to report on the results of the audit, explaining how it contributed to the integrity of the financial information and the role played by the Audit and Control Committee in the audit process.

   (ii) To supervise the effectiveness of the Company's and the group's internal controls, internal audit function and risk management systems (including the management of tax risks), and to discuss any significant weaknesses in the internal control system detected in the course of audit procedures with the auditor without thereby compromising its independence. For these purposes, the Committee may present its recommendations and proposals to the management body, establishing the pertinent monitoring periods.

   (iii) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for the possibility of communications being made anonymously, respecting the rights of both the reporting and the reported party.

   (iv) Supervising the preparation and presentation of the statutory financial and nonfinancial statements and presenting recommendations or proposals to the Board of Directors directed to safeguard its integrity. In addition, the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – must also be supervised, reviewing compliance with regulatory requirements, the accurate delimitation of the consolidation perimeter, and the correct application of accounting principles.

   (v) To make proposals to the Board of Directors, for eventual approval by the General Shareholders Meeting, with regard to the selection, appointment, reelection or replacement of the auditors, in accordance with prevailing legislation, as well as proposals relating to the terms of engagements; to seek and obtain regular information from the auditors with regard to their audit plan and the progress thereof; and to safeguard the independence of the auditors in the discharge of their functions.

   (vi) Supervising the activity of the Company's internal audit function.

   (vii) To establish appropriate relations with the auditors in order to obtain information regarding any matters which might compromise their independence for examination by the Audit and Control Committee, as well as information concerning the audit procedures carried out and, where applicable, as required for the authorization of other non-audit services permitted under prevailing legislation, and to receive all other communications required under legislation governing the audit of financial statements and by prevailing audit standards. In any event, the Audit and Control Committee shall obtain the external auditors' annual letter of representations establishing their independence from the company and other companies directly or directly related with the same, as well as detailed, itemized information on any additional non-audit services of any kind and the fees received in respect of thereof by the external auditor or by any persons or entities related with the same, in accordance with prevailing audit legislation.

(viii) To issue an annual report expressing an opinion on the independence or otherwise of auditors and audit firms. Said report shall be issued before the audit opinion is received. The Audit and Control Committee's report shall in any case address the provision of the additional non-audit services referred to in the preceding paragraph, considered both individually and as a whole, and it shall likewise address the system in place to assure the independence of the auditor in accordance with prevailing audit regulations;

(ix) Reporting to the Board of Directors, prior to Board meetings, on all matters provided by law, the Articles of Association or the Board of Directors Regulations and, in particular, on the following matters: (i) the financial and nonfinancial information the Company must publish periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens; and (iii) transactions with related parties, in accordance with the provisions of any applicable legislation at any given time.

(x) In relation to the external auditor: (i) to ensure its remuneration does not compromise its quality or independence; (ii) supervise that the Company notifies as a material event any change of external auditor to the National Securities Market Commission (Comisión Nacional del Mercado de Valores), accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same; (iii) to ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other requirements concerning auditor independence and (iv) in the event of resignation of the external auditor, investigate the circumstances that may have caused such resignation.

(xi) To summon any employee or executive of the company, and where appropriate to require their attendance without the presence of any other director or executive.

(xii) Any other functions assigned by the Board of Directors in its Regulations.

6. The Audit and Control Committee shall meet quarterly on an ordinary basis to review the periodic financial information to be reported to stock market supervisors, as well as any information requiring the approval of the Board of Directors for inclusion in the annual reports published. The Committee shall also meet at the request of any of its members and wherever convened by its Chair, who shall convene a meeting whenever the Board of Directors or the Chairman of the Board requires a report or the adoption of proposals, and in any event whenever appropriate for the proper discharge of its functions. Committee meetings shall be deemed quorate whenever attended, either in person or by proxy, by half plus one of its members. Resolutions shall be adopted by majority vote. The Chair shall not have a casting vote in the event of tie.

7. The Board of Directors may draw up and approve a Regulation implementing the foregoing.

Also, Article 14 of the Board's Regulations provides as follows:

- Supervise the activity of the Company's internal audit function reporting organically to the Chairman of the Audit and Control Committee and monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit function; propose the function's budget; approve or make a proposal for approval to the Board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the Company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- Report on related party transactions to be approved by the General Shareholders' Meeting or the Board of Directors, as the case may be, and supervise the internal procedure for transactions whose approval has been delegated.
- Report on the acquisitions that entail or may entail a conflict of interest.
- Report on any corporate structural modification intended to be carried out, its economic conditions and its accounting implications, specially, where appropriate regarding the applicable exchange rate.
- Supervise compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, and internal rules of conduct. In particular, the Committee shall be responsible for:

  (i) Supervise compliance with the Company's internal codes of conduct and corporate governance rules and ensure that the corporate culture is aligned with its purpose and values.

  (ii) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

(iii) Periodically evaluate the effectiveness of the Company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

(iv) Ensure the Company's environmental and social practices are in accordance with the established strategy and policy.

(v) Monitor and evaluate the Company's interaction with its stakeholder groups.

The Audit and Control Committee shall prepare an annual report on its activities, explaining the main matters arising, if any in relation to the Committee's functions. Where the Audit and Control Committee may deem it appropriate, it may include proposals to improve the Company's governance rules in said report.

The Audit and Control Committee may summon any member of the company's management team or staff to appear before it, even without the presence of any other manager. Persons so summoned shall be required to attend the meetings of the Audit and Control Committee and to offer their full cooperation and access to any information they may hold. That committee may likewise require the auditors to attend its meetings.

With a view to achieving the best possible outcomes, the Audit and Control Committee may seek the advice of external experts where deemed necessary to ensure the adequate discharge of its functions.

The Company shall establish an Internal Audit Department to supervise the proper functioning of information systems and internal controls under the oversight of the Committee. The Internal Audit Department shall report functionally to the non-executive Chairman of the Board of Directors or to the Chair of the Audit and Control Committee. The head of the Internal Audit Department shall present the department's annual working plan to the Audit and Control Committee. The Department head shall likewise report any incidents arising in the course of internal audit activities and shall submit a report to the Committee at the end of each financial year.

Activities carried out:

The most significant of all the matters examined and dealt with at the various meetings of the ACC held during the year, in line with the functions and powers delegated to it, are summarized below:

(*) Activities submitted to the Board for approval and/or ratification.

- Report of the activities carried out by Internal Audit and GRC in 2023 (*)
- Review and approval of the annual report on the functioning of the Audit and Control Committee
- Review and approval of the report on related transactions and conflicts of interests for fiscal year 2023 (*)
- Review of the annual financial information as of 31 December 2023 including the Annual Financial Report and the annual accounts corresponding to the financial year ended on 31 December 2023. Presentation on the conclusions regarding the audit carried out by Deloitte, S.L. (*)
- Review of the proposed summarized financial statements corresponding to the twelve months of the financial year ended on 31 December 2023 (*)
- Review and approval of the proposal to the Board of Directors regarding the re-election of the auditor of the Company, as well as its group, for the financial year ending 31 December 2024 (*)
- Report on the negotiation of treasury shares by the Company (*)
- Report on the press release and presentation regarding the annual results of the Company (*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for financial year ended on 31 December 2023 (*)
- Review and approval of:
  - The information regarding ICFRS to be included in the Annual Corporate Governance Report (IAGC).
  - The external auditor's verification report on ICFRS
  - The executive summary of the internal auditor on ICFRS.
- Report on the press release and presentation regarding the H1 financial information (*)
- Presentation of the audit work carried out for the review of the financial statements of H1 and external audit recommendations (*)
- Review of the various four-monthly reports on the review of the company's internal control and risks
- Review and approval of the report on the auditor's independence and on the delivery of services different from the audit services (*)

- Review and approval of the Non-Financial Information and Sustainability Memorandum Report to be included in the consolidated management report (*)
- Review of the H1 financial information and summarized consolidated interim financial statements (*)
- Report on the capital reductions to reimburse shareholders contributions by reducing the nominal value of the shares (*)
- Training, follow-up of the activities and review of the control structure of AML/CFT
- Situation and evolution of ESG activity.
- Analysis and monitoring of corporate transactions (*)
- Reports on various internal audits performed (*)
- External Audit Effectiveness Report (*)
- Planning and follow-up of the external audit (planning of the closing of annual accounts and review of non-financial information, results of preliminary work / risks identified)
- Report on the status of compliance and internal audit in co-investments.
- CSRD (sustainability) implementation follow-up (*)
- Subsidiary reports (*)
- Presentation of GRC plan for 2025
- Presentation of the Audit and Control Committee Plan for 2025
- Report on a conflict of interest regarding the sale of a plot in Madrid (*)
- Review of compliance with the internal code of conduct and corporate governance rules (article 11 b) of the charter of the Committee)
- Report on the note issued by CNMV and ICAC regarding the transposition of the CSRD Directive
- Review and favourable report on the proposal of amendments to be included in the Charter of the Audit and Control Committee and the Board of Directors (*)

Identify the directors appointed to seats on the audit committee in view of their knowledge and expertise in accounting and audit matters and state the date of the Committee Chair's appointment to office.

Name of directors with relevant expertise	Anna M. Birulés Bertran
	Van J. Stults
	Alfonso Rodés Vila
Date of appointment as Committee Chair	22/02/2023

Remarks

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Office	Category
Ricardo Martí Fluxá	Chairman	Independent Director
Anna M. Birulés Bertran	Vocal	Independent Director
Alfonso Rodés Vilà	Vocal	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Vocal	Proprietary Director
Van J. Stults	Vocal	Proprietary Director

% executive directors	0%

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Verificable en http://www.boe.es

% proprietary directors	40%
% independent directors	60%
% other external directors	0%

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

Procedures and rules governing organization and functioning:

Article 43 of the Company's Bylaws provides as follows:

1. The Board of Directors shall create a permanent Appointments and Remunerations Committee as an internal informational and consultative body without executive duties, but vested with reporting, advisory and proposal-making powers in its area of activity, as described in sub-section 5 of this Article. The Appointments and Remunerations Committee shall have a minimum of three and a maximum of five members, being non-executive directors appointed by the Board of Directors at the proposal of its Chairman. The majority of the members of the Appointments and Remunerations Committee shall be independent directors.
2. The Board of Directors shall appoint the Committee's Chair from among the independent directors holding seats on the same. The Board of Directors shall likewise appoint a Deputy Chair where considered appropriate. The Deputy Chair shall be appointed under the same conditions as the Chair.
3. The office of Secretary to the Appointments and Remunerations Committee will be held by the person appointed by the Board of Directors. The secretary need not be a full member of the Appointments and Remunerations Committee, in which case it will not be necessary for the Secretary to be a member of the Board of Directors. The Secretary to the Appointments and Remunerations Committee need not be the same person as the Secretary to the Board of Directors.
4. The directors holding seats on the Appointments and Remunerations Committee shall discharge their functions while they continue in office as directors of the Company, unless otherwise agreed by the Board of Directors. The renewal, re-election and removal of the directors holding seats on the Committee shall be governed by the pertinent resolutions of the Board of Directors.
5. Notwithstanding any other tasks that may be assigned to it by the Board of Directors from time to time, the Appointments and Remunerations Committee shall have the following basic functions:
   - (i) To evaluate the competences, expertise and experience required by the Board of Directors; for these purposes, the Appointments and Remunerations Committee shall define the necessary skills and abilities of the candidates to cover any vacancy and shall evaluate the time and dedication required to discharge the related duties effectively.
   - (ii) To establish a target for representation by the minority gender in the Board of Directors, and to prepare guidelines for the attainment of that target.
   - (iii) To make proposals to the Board of Directors for the appointment of independent directors by co-option or for presentation and approval at the General Shareholders Meeting, as well as proposals for the re-election or removal of such directors by the General Shareholders Meeting.
   - (iv) To make proposals for the appointment of other directors by co-option or for presentation and approval at the General Shareholders Meeting, as well as proposals for the re-election or removal of such directors by the General Shareholders Meeting.
   - (v) To make informed proposals for the appointment or removal of management personnel, and on the basic terms and conditions of their contracts.
   - (vi) To examine and organize the succession of the Chairman of the Board and of the Chief Executive Officer of the Company and, where applicable, to make proposals to the Board of Directors to ensure an orderly and well-planned succession.
   - (vii) To report to the Board of Directors on policy regarding the remuneration of directors and senior managers or other persons holding management posts and reporting directly to the Board of Directors, executive committees or executive directors, as well as the individual remuneration and other contractual terms applicable to the executive directors, and to verify compliance with the policy established.
6. The functioning of the Appointments and Remunerations Committee shall be governed by such rules as may be

determined by the Board of Directors in the pertinent Regulation.

Also, Article 15 of the Board's Regulations provides as follows:

- The Appointments and Remuneration Committee shall meet quarterly or, at least, four times a year in ordinary session. It shall also meet at the request of any of its members and when convened by its Chairman, who must call a meeting whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and whenever necessary for the proper exercise of its functions.
- Meetings of the Appointments and Remuneration Committee shall be duly convened when a majority of the members are present in person or by proxy and resolutions shall be adopted by absolute majority vote.
- Minutes shall be taken of the committee's meetings and a copy of the minutes shall be sent to all the members of the Board of Directors.
- The committee shall consult the Chairman and the CEO of the Company, especially in matters concerning executive directors and managerial employees.
- Where considered necessary to enable it to perform its functions more effectively, the Appointments and Remuneration Committee may take advice from outside experts, taking care to ensure that conflicts of interest do not adversely affect the independence of the external advice provided to the committee.

Activities carried out:

The most significant of all the matters examined and dealt with at the various meetings of the ARC held during the year, in line with the functions and powers delegated to it, are summarized below:

(*) Activities submitted to the Board for approval and/or ratification.

- Forecast closing 2023 (*)
- Review of the proposal of payment of bonus to the employees and top management of the company in connection with year 2023 and remuneration increase for 2024 (*)
- Review of the performance and approval of the bonus accrued by the employees and the top management in 2023 (*)
- Review and approval of the fixed salaries of the employees and the top management for 2024 (*)
- Review of the performance and approval of the targets and incentives accrued by the CEO on 2023 (*)
- Review and favourable report of the salary of the CEO for 2024 (*)
- Review of the performance and approval of the incentives accrued in connection with the MIP 2023-2025 and the Total Shareholder Return target & EBIDTA for the MIP 2023-2025 objectives for year 2024 (*)
- Review and approval of the annual report on the functioning of the Appointments and Remunerations Committee (*)
- Review of the specific targets of the bonus of the Executive Director and certain members of Top Management for 2024 (*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for the financial year ended 31 December 2023 (*)
- Report on the Annual Report on the Remuneration of directors (IAR) for the financial year ended on 31 December 2023 (*)
- Report on the proposal of amendment of the Directors' Remuneration policy (*)
- Assessment of the Board and its Committees (*)
- Review of the dedication of non-executive directors (article 11 a) of the charter of the Committee)
- Review of compliance with the internal code of conduct and corporate governance rules (article 14 c) of the charter of the Committee)
- Presentation of the Appointments and Remunerations Committee Plan 2025
- Review of the Board's Evaluation (*)

APPOINTMENTS COMMITTEE

The Company does not have an Appointments Committee, the functions and duties of which are assigned to the Appointments and Remunerations Committee.

Name	Office	Category

% proprietary directors	
% independent directors	
% other external directors	

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws or any other corporate agreements in practice.

REMUNERATIONS COMMITTEE

The Company does not have a Remuneration Committee, the functions and duties of which are assigned to the Appointments and Remunerations Committee.

Name	Office	Category

% proprietary directors	
% independiente directors	
% other external directors	

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

LAND INVESTMENT COMMITTEE

Name	Office	Category
Aref H. Lahham	Chairman	Proprietary director
Borja García-Egotxeaga Vergara	Vocal	Executive director
Ricardo Martí Fluxá	Vocal	Independent director
Van J. Stults	Vocal	Proprietary director

Andreas Segal	Vocal	Independent director
Felipe Morenés Botín Sanz-de Sautuola	Vocal	Proprietary director
Juan José Pepa	Vocal	Proprietary director

% executive directors	14.29%
% proprietary directors	57.14%
% independent directors	28.57%
% other external directors	0%

Explain the functions assigned to this committee, describe the procedures and rules governing its organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

Procedures and rules governing organization and functioning:

The internal Regulation of the Land Investment Committee establishes, inter alia, the following:

1. The Committee shall be formed by a minimum of three and a maximum of seven members. The Committee members shall be appointed by the Company's Board of Directors at the proposal of the Appointments and Remunerations Committee, subject to consultation with the Chair of the Land Investment Committee.
2. The majority of the Committee members shall be non-executive directors. All members of the Committee shall have broad, recent and appropriate professional, technical and financial experience in the real estate sector and in financial investment, whether securities investment or investment in real estate assets.
3. Only the Committee members shall be entitled to attend its meetings. However, other directors and employees, and other natural persons and external advisers may be invited to attend the Committee's meetings on a regular basis, and other persons who are not members of the Committee may also be invited to attend all or part of a meeting wherever deemed necessary or appropriate. Only the Committee members shall have the right to vote on its resolutions, and any other persons attending shall be permitted only to speak.
4. The committee members shall be appointed for a maximum term of three years, which may be extended by a further two 3-year terms, provided search Committee members continue to be members of the Board of Directors.
5. The Committee's Chair shall be appointed by the Board of Directors. In the absence of the Committee's Chair and his/her appointed stand-in, the other members of the Committee attending shall select one of their number to chair the meeting.
6. The office of Secretary to the Land Investment Committee shall be held by such persons as may be appointed by the Board of Directors. The Secretary to the Land Investment Committee need not be a full member of the same, in which case (i) he/she shall not have the right to vote, and (ii) he/she shall not be a member of the Board of Directors. The Secretary to the Land Investment Committee need not be the same person as the Secretary to the Board of Directors.
7. The Committee's resolutions shall be adopted by majority vote. All members of the Committee attending its meetings shall vote on all items on the agenda except where any conflict of interest may exist, in which case the Committee member affected shall leave the meeting and shall not take part in deliberations or vote on any matters where he/she may have a conflict of interests.
8. All reports prepared by the Committee and submitted to the Board of Directors for its consideration before the approval of any Board resolution shall expressly mention that all proposals made by the Committee are in compliance with prevailing legislation.
9. The Committee shall meet at least four times each year, and whenever necessary. Notwithstanding, the Committee shall meet wherever so requested by any of its members or wherever it is validly convened by the Chair.
10. The Committee Chair shall convene a meeting wherever the Board of Directors or the Chairman of the Board may request that a report be prepared or a proposal approved, and in any event wherever deemed expedient for the due discharge of its functions.
11. Committee meetings shall be convened by the Secretary to the Committee at the request of any of its members, or at the request of the Chairman of the Board.
12. Unless otherwise established, the call for each meeting shall state the venue, the date and the time of the same,

and the agenda setting out the business of the meeting, and it shall be sent to each of the Committee members and any other persons required to attend, as well as non-executive directors, at least three (3) business days in advance of the date of the meeting. Any background documentation shall be delivered to the Committee members and any other parties invited to attend, where applicable, together with the call for the meeting.

13. Notwithstanding the above, Committee meetings shall be understood to be validly convened without the need for any prior call if all of its members are present, either in person or by proxy, and unanimously agree to hold a meeting and the agenda for the same. Likewise, the members of the Committee may vote by letter without holding a meeting, provided none of the directors opposes this procedure.

14. The Committee members may also meet simultaneously at more than one venue connected by any system allowing recognition and identification of participants, uninterrupted communication between the same wherever they may be and participation in voting, all in real time. Subject to the foregoing, the Committee may hold its meetings by conference call or video conference, and by other similar methods of communication.

    Wherever the participants in a Committee meeting may find themselves, it shall be understood that all of them attend the same meeting. Any such meetings shall be understood to be held at the venue where the majority of the Committee members are met, or in the event of a tie, at the venue where the Committee Chairman or his stand-in as chair of the meeting may be located.

15. The Committee shall discharge the following functions for the company and its principal affiliates:

    (i) To define general investment policies and strategies, investment objectives, the rules for and limitations applicable to the purchase and disposal of real estate assets, and all other investment policies followed by the Company, and where applicable to present all of the foregoing to the Board for its approval.

    (ii) To review all of the aforementioned strategies and objectives at least annually, and to adopt and approve any changes.

    (iii) To evaluate and adopt a final decision either in favour of or against the possible acquisition of real estate assets, possible real estate developments and the financing of real estate purchases and/or developments undertaken by the Company, whether directly or via any group entity, and to evaluate and adopt a final decision with regard to the financial viability of such investments, their fit with the Company's investment policies and compliance with applicable laws.

    (iv) To prepare the pertinent reports on all matters examined by the Committee and to present the same to the Board, especially in cases where a resolution of the Board is required in accordance with prevailing legislation.

    (v) To analyse and track the Company's investment results and performance in relation to the investment strategies, objectives, policies, rules and limits approved by the Committee, including without limitation, examination of the procedures applied by the Company to establish that investments are made in accordance with the aforementioned investment strategies, objectives, policies, rules and limits.

    (vi) To approve the evaluation methods utilized by the Company in relation to the purchase or disposal of real estate portfolios and assets.

    (vii) To address any other issues or tasks that may fall within the Committee's remit.

16. The Chairman of the Committee shall report formally to the Board on the Committee's actions with regard to all issues falling within its remit after each meeting. The Chairman shall likewise report formally to the Board with regard to the discharge of the Committee's responsibilities, including analysis of compliance with legal, regulatory and internal requirements applicable to the evaluation and execution of investments and, in general, the outcomes of all actions concerned in the tasks assigned to the Committee.

17. The Committee shall report to the Board on all purchases, investments and disposals of land for real estate development prior to approval by the Board, wherever the amount of the transaction concerned exceeds €10 million.

18. In general, the Committee shall report to the Board on all and any other matters where the same may request the Committee's opinion, and on any issues which the Committee understands it should remit to the Board for its consideration.

19. The Committee shall make all such proposals to the Board as it may consider necessary with regard to matters falling within its remit and requiring action or the implementation of improvement measures.

20. The Committee shall prepare an activity report for inclusion in the Company's annual report. This report shall provide details of all investments and disinvestments made by the Company, as well as a brief summary of each and every one of the transactions carried out and the conclusions of the Committee reports in relation to each of the same.

Activities carried out:

The most significant of all the matters examined and dealt with at the various meetings of the LIC held during the year, in line with the functions and powers delegated to it, are summarized below:

- Review of the Business Plan: Budget 2024 and Forecast 2025-2028 (*)
- Review and update of corporate operations (*)
- Review and approval of the annual report on the functioning of the Land Investment Committee (*)
- Summary and update of development activities
- Update on the crystallization of rental activity (*)
- Update and monitoring of co-investment (*)
- Update and monitoring of subsidiary activities (*)
- Update and approval of acquisitions and projects
- Approvals of ICM and Second Go

C.2.2. Complete the following table with infdirector, about the number of female directors holding seats on board committees at the reporting date for the last four years:

	Number of female directors			
	Fiscal year 2024 Number %	Fiscal year 2023 Number %	Fiscal year 2022 Number %	Fiscal year 2021 Number %
Executive committee	-	-	-	-
Audit committee	1	1	1	1
Appointments and Remunerations Committee	1	1	1	1
Appointments committee	-	-	-	-
Remuneration committee	-	-	-	-
Land investment committee	0	0	0	0

C.2.3. Where applicable, state whether there are any regulations for the board committees, where they are kept available for consultation, and whether they have been amended during the year. Also, state whether any annual reports on the activities of each commission have been voluntarily prepared.

Each of the three Board Committees has its own Regulations. All of them are available on the Company's website: https://www.neinorhomes.com/en/corporate/esg/ethics/corporate-governance-information/statutes-and-regulations-of-the-council/corporate-by-laws/

The current Regulations were approved on March 8, 2017, prior to the Company's listing, with their latest updates on December 10, 2024 (Board and Audit and Control Committee Regulations) and April 13, 2022 (Appointments and Remuneration Committee and Land Investment Committee Regulations).

D RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1. Explain, if applicable, the procedures and competent bodies for the approval of related-party and intragroup transactions, indicating the company's general internal rules and criteria governing the abstention obligations of the directors or shareholders affected, and provide details of the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the Board of Directors.

Procedure for proposals to approve related-party transactions

The procedure followed by the Company to report the approval of related-party transactions is set out in the Conflicts of Interest and Related Parties Transactions policy approved by the Board of Directors on July 15, 2015, the most recent updates being on 23 February 2022, incorporating the changes in the regime of related-party and intragroup transactions of the Capital Companies Act, and on 24 May 2023, which, on the one hand, developed the procedure for approving related-party transactions, to cover the case of the creation of joint ventures with a shareholder and, on the other hand, to regulate the protocol and the approval of related-party transactions in writing and without a meeting of the audit and control committee (hereinafter ACC).

The policy is published on the company's website.

This policy establishes the following:

1. Where any Company Parties learn of a possible Related-Party Transaction, they shall inform Neinor Homes' Governance, Risk and Compliance and Internal Audit Department as soon as they become aware of the same.

   If it is found upon examination that a transaction is a Related-Party Transaction, the Company Party shall prepare a written report addressed to the Governance, Risk and Compliance and Internal Audit Department showing that the transaction would be carried out under market conditions and would respect the principle of equality between shareholders.

2. Following analysis of the report on the Transaction by the Governance, Risk and Compliance and Internal Audit Department, this Department shall analyze and carry out the appropriate reviews of the Transaction and shall prepare the corresponding report (which may endorse the report of the Responsible Party or prepare a different one) and shall proceed to approve the Transaction if it meets the conditions for delegated approval, or shall submit the Transaction to the ACC as provided in the following point.

3. The transaction between Related Parties must be reported to the ACC (unless it is a transaction that may be delegated by the Board and its approval has been delegated, in which case the provisions of the following section shall apply). The reports justifying the transactions shall form part of the documents submitted to the ACC for discussion.

4. The ACC shall evaluate the Transaction, analysing whether it is fair and reasonable from the point of view of the Company and, if applicable, of the shareholders other than the Related Party, giving an account of the assumptions on which the evaluation is based and the methods used. If appropriate, it may request reports from independent experts. When a Transaction may affect the equal treatment of shareholders, reference shall be made to the provisions of section 4.1.5.

5. Once the approval of the ACC has been received, the transaction shall be submitted to the Board of Directors or the General Shareholders' Meeting for review and approval, in accordance with the regulations in force. If the Related Party is a director (or a person related to a director), he/she will have to withdraw from the decision-making process at the Board meeting that decides on the Transaction.

6. Transactions whose approval has been delegated shall not require a prior report from the ACC. However, the Board of Directors establishes the following internal reporting and periodic control procedure in relation to these transactions, with the intervention of the ACC, to verify the fairness and transparency of such transactions and, if applicable, compliance with the applicable legal criteria

   (i) The Compliance Department, as the body responsible for monitoring all Related Party Transactions, shall prepare a report on the number, nature and amounts of such Related Party Transactions;

   (ii) The Compliance Department shall send a report with the frequency requested by the CAC, and in any case on an annual basis when reviewing the financial information, presenting in aggregate form the Transactions approved under the powers delegated by the Board.

   (iii) The ACC shall analyse said report from the Compliance Department and shall submit to the Board the appropriate annual report on its supervision and control of transactions with delegated Related Parties.

The Audit and Control Committee may seek clarification with regard to any given transaction and/or request additional documentation to assess whether the transaction was carried out under the approved terms.

In relation to the Application of Equal Treatment for Conflicts between Interested Shareholders, point 4.1.5 of said policy describes the following:

In order to ensure equal treatment between Neinor Homes shareholders regarding business opportunities that may be identified, guidelines shall be established for the event that more than one significant shareholder may be interested in acting as supplier/service provider of such business opportunity, with regard to the corporate activities performed by such shareholders.

In the event that Neinor Homes is interested in the purchase of any good/transfer of any assets and/or the provision of any service and there is more than one significant shareholder interested, the following procedures shall be followed:

i. If one significant shareholder interested on said business opportunity is informed about it, all shareholders must be informed as well.

ii. If the selection of a service provider is performed through an auction procedure, all interested shareholders shall be invited to attend the auction.

In selecting the supplier, the interests of Neinor Homes will always prevail over any other interests.

The policy is available on the company's website at the following link: https://www.neinorhomes.com/en/corporate/esg/ethics/ethics-and-transparency/corporate-policies-and-procedures/conflict-of-interest-and-related-party-transactions-policy/

D.2. Provide a detailed breakdown of those transactions that are significant due to their amount or relevant due to their subject matter that were carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the Company's Board of Directors, indicating the competent body for their approval and whether any shareholder or director affected abstained. If the competent body was the General Shareholders' Meeting, indicate whether the proposed resolution was approved by the Board without the majority of independent directors voting against:

Name or company name of the shareholder or of any of its subsidiaries	% Ownership interest	Name or corporate name of the company or dependent entity	Nature of the relationship	Type of operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identification of any significant shareholders or directors who abstained	The proposal to the General Shareholder' Meeting, if any, was approved by the Board without the majority of independents voting against
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	29.517%	Orion V European 24, S.á r.l.	Commercial / Business / Development of residential promotion	Creation of the company Pegasus Holdco, S.L. to develop build-to-sell developments, with equity of EUR 50 million contributed by both companies	50,000 (Undisbursed amount, committed amount based on project progress)	Board of Directors / Investment Committee / Audit and Control Committee	AREF H. LAHHAM VAN J. STULTS	N/A

Remarks
Neinor Homes, S.A. and Orion V European 24, S.á r.l., a company wholly-owned indirectly by Orion European Real Estate Fund V S.L.P., entered into an agreement in 2023 to develop residential real estate projects in Spain through a joint venture, aimed at build-to-sell. The joint venture is owned 90% by Orion and 10% by Neinor. Additionally, Neinor acts as the delivery partner manager, overseeing project design, permit approvals, commercialization and construction. Furthermore, Neinor Homes, S.A. has a representative on the Board of Directors.

This transaction was approved in 2023 by the Board of Directors and the Audit and Control Committee of Neinor Homes in the previous financial year, without the presence of the affected directors and was unanimously approved.

In the 2024 financial year, Neinor Homes generated €643 million in revenue from the JV (Pegasus Hodco S.L.) and maintains outstanding receivables and long-term loans of €510 million and €3,252 million, respectively.

The joint venture established by Santander Alternative Investments, SGIIC, S.A.U. and Neinor Homes, S.A. (with a 90% and 10% stake, respectively) to develop a flex-living project is not included, with a capital of €60 million contributed by both companies in proportion to their respective stakes. The transaction was conceived and analyzed at the end of 2024 and approved by Santander's compliance team in early 2025. As a result, its accounting recognition took place in the 2025 financial year and will be reflected in the 2025 IAGC.

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

Lastly, the Group's subsidiary, Quabit Construcción, has been awarded the development and construction of various residential projects in recent years for Landcompany 2020, S.L. (Grupo Santander). These transactions are conducted at market prices, under standardized conditions, and in line with the bids QC submits in different tenders to secure its project portfolio. Therefore, they are analyzed by the company's GRC and Compliance area within the framework detailed in the conflict of interest and related-party transactions policy.

The following tables provide the balances and transactions arising from these operations in the 2024 financial year.

D.3. Provide a detailed breakdown of those transactions that are significant due to their amount or relevant due to their subject matter that were carried out by the company or its subsidiaries with the directors or executives of the company, including those transactions carried out with entities controlled or jointly controlled by the director or executive, indicating the competent body that approved them and whether any shareholder or director affected abstained. If the General Shareholders' Body was the competent body, indicate whether the proposed resolution was approved by the Board without the majority of independent directors voting against:

Name(s) or company name(s) of the director(s) or executive(s) or their controlled or jointly controlled entities	Name or company name of the company or subsidiary	Link	Nature of the operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identification of any shareholders or directors who abstained	The proposal to the General Shareholder' Meeting, if any, was approved by the Board without most independents voting against.

Remarks

D.4. Provide a detailed breakdown of intragroup transactions that are significant due to their amount or relevant due to their subject matter that are carried out by the company with its parent company or with other entities belonging to the parent's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or the latter are wholly owned, directly or indirectly, by the listed company.

You should in any event mention any intergroup transactions carried out with entities registered in countries or territories listed as tax havens:

Group entity's name	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)

Remarks

D.5. Provide a detailed breakdown of those transactions that are significant due to their amount or relevant due to their subject matter that are carried out by the company or its subsidiaries with other related parties that are related in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the preceding headings.

We detail below the transactions and balances that are significant due to their amount (taking as a reference all the related companies with a balance or transaction amount of one million euros, in which in turn we will break down all the remaining balances and transactions) or relevant due to their subject matter.

Company name of its group entity	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 31.12.2024 from financing operations related to development activity	32,164
Banco Santander (Santander Group)	Debtor balance / Asset. Net cash position with the entity in favor of the company as of 31.12.2024.	250,428
Landcompany 2020, S.L (Santander Group)	Revenue from the subsidiary, Quabit Construcción, for real estate development projects.	11,721
Landcompany 2020, S.L (Santander Group)	Debtor balance from the subsidiary, Quabit Construcción, for the execution of real estate development projects	2,243
Santander Factoring y Confirming S.a.E.f.c	(Creditor balance) Advance payments of customer invoices with Quabit Construcción	2,442
Grupo Rayet, S.A.	Debtor balance. Long-term loan maintained since the merger with Quabit Inmobiliaria	531
Rayet Medio Ambiente, S.L.	Amount paid for the acquisition of plots in the municipality of Alovera	1,161
Rayet Medio Ambiente, S.L.	Debtor balance. Loan originating from the merger with Quabit Inmobiliaria	839
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Revenue from the subsidiary, Quabit Construcción, for urbanization works in sector I-15 in Alovera (Guadalajara)	3,275
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Expenses from the subsidiary companies for special assessments issued for the urbanization works in sector I-15 in Alovera (Guadalajara)	1,775
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Debtor balance from the subsidiary, Quabit Construcción, for outstanding invoices related to the execution of urbanization works in sector I-15 in Alovera (Guadalajara)	7,618
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Debtor balance / Advance payment of special assessments granted to the urban development agent by the company	1,864
ABLANQUEJO, S.L.	Expenses / Services received as remuneration for work as a Senior Advisor to the Board	600

D.6. Explain the mechanisms established to detect, determine and resolve possible conflicts of interests between the company and/or the group and its directors, managers and significant shareholders or other related parties.

The mechanisms established to detect, determine and resolve possible conflicts of interests are set out in the Conflicts of Interest and Related Parties policy approved by the Board and published on the Company's website.

In addition to this policy and the provisions established therein, the company has implemented an internal controls structure in this regard, which is based on the following elements providing reasonable assurance for the companies control bodies:

- ✓ Reporting channel for related-party transactions and other operations likely to generate conflicts of interest.
- ✓ Recording of transactions and analysis of these transactions.
- ✓ Compliance, acceptance and notification letter in relation to any transactions or conflicts of interest involving directors, senior managers and other executives in view of their functions and duties.
- ✓ Cross-checking against analysis tools and knowledge of natural and legal persons of directors and senior management, to identify those companies with which they have commercial or employment relations.
- ✓ Cross-referencing of the companies identified in the previous section with the company's accounts (invoicing sent and received).
- ✓ Periodic reviews and analysis of related-party transactions by the Internal Audit Department.
- ✓ Report on related-party transactions and conflicts of interest brought to the attention of and examined by Internal Audit. This report is prepared for submission to the Audit and Control Committee.
- ✓ Annual presentation of the register of related-party Transactions and conflicts of interest arising during the year to the Audit and Control Committee.

D.7. Indicate whether the company is controlled by another entity within the meaning of article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them.

☐ Sí ☑ No

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand, have been publicly disclosed with accuracy:

☐ Sí ☐ No

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand and identify where these aspects have been publicly disclosed.

Identify the mechanisms in place to resolve possible conflicts of interest between the parent company of the listed company and the other companies in the group:

Mechanisms for resolving potential conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the extent of the company's Risk Management and Control System, including those of a fiscal nature.

Neinor Homes has defined an Integrated Control System (ICS), which has been transferred to the entire organisation, in which the risks are associated with strategic objectives, processes and control activities and which also incorporates those responsible for the execution and supervision of these controls, as well as the evidence supporting the system.

The continuous monitoring of this model makes it possible to address daily operations and contingencies, as well as to facilitate the management of all areas of risk that may affect the achievement of the company's objectives (e.g. business, financial, tax, regulatory risks, etc.). In short, the Neinor Homes model integrates all regulatory compliance environments, with the entire control structure and business risks in a homogeneous manner, to obtain a transversal vision, which promotes synergies and eliminates duplication.

The main inputs to the ICS are as follows:

- Compliance risks and controls: encompasses internal control of financial reporting, money laundering, data protection, prevention of criminal liability, conflicts of interest, fraud and corruption, etc.
- Corporate risks and controls: covers external factors, competitive environment, cybersecurity, people, corporate governance, sustainability, etc.
- Business risks and controls (value chain): includes land acquisition, product, contracting, commercial management and sales, among others.

On the other hand, the Risk Management methodology used by Neinor Homes is based on Enterprise Risk Management (also known as COSO II), which enables the contribution of added value through the identification, management and monitoring of business risk management.

In relation to the control of tax risks, Neinor Homes has adopted the necessary control mechanisms to ensure compliance with tax legislation as part of appropriate business management. It also dedicates adequate and sufficiently qualified human and material resources to this end.

Every two to three financial years, the company reviews and updates its strategic/corporate risk map. This analysis is presented to the Board and the Audit and Control Committee for their review and consideration. Additionally, partial revisions of the risk map may be conducted to focus on specific types of risks that may be more affected by economic, corporate or operational changes resulting from shifts in the economy, stakeholder expectations or sector-specific dynamics.

Considering the above, in 2022 the company updated and reviewed the entire corporate risk map, which serves as the primary source of the company's control system. Additionally, in 2023 and 2024, the company proceeded to review its corporate risks, breaking down those that had not shown any changes or remained in their initial situation, such as environmental, operational, or compliance risks, and those that could have been affected by market conditions and stakeholder expectations, such as financial and market risks, strategic risks, and climate change risks.

This risk-based control system is flexible and dynamic, in this sense a specific risk plan is made in certain situations or transactions where all the risks that may arise are analysed from different prisms in order to establish the appropriate verification tests, controls that allow and help the company to make better decisions and respond.

As an example, in 2020, after the outbreak of the pandemic, the company, as part of its Integrated Risk Control and Management System, defined a specific model for dealing with the risks that could materialise as a result of this situation (Scipio Project), which was transferred to the entire organisation and is associated with strategic objectives, processes and control activities, with regular monitoring and reporting of the results to senior management and the Audit Committee.

Some of the strengths that recurrently appear in the audit report of the ISO 9001 certification are the risk management system implemented by the company, the money laundering prevention model or the design of the risk-based strategic sustainability plan, among others. All of them are areas of responsibility of the GRC, Internal Audit and Sustainability Department, and have been developed by this same department, which in turn is in charge of the company's risk management by mandate of the Audit and Control Committee on which it functionally depends.

E.2. Identify the corporate bodies responsible for the preparation and implementation of the risk control and management system, including control and management of tax risks.

In accordance with Article 5.6 of the Board’s Regulations, approval of the risk control and management policy falls within the Board’s remit, including the management of tax risks and periodic monitoring of internal information and control systems.

Additionally, the Board delegates these functions to the Audit and Control Committee (ACC), which, as detailed in Article 9.7 of the Audit and Control Committee's Regulations, the ACC is responsible for risk management in the following areas:

- To identify and assess the different types of risk (operational, technological, financial, legal, social, sustainability, political, tax, reputational or related to corruption) to which the Company is exposed, including, among financial or economic risks, contingent liabilities and other off-balance sheet risks of the Company.
- To establish the levels of risk considered acceptable by the Company.
- To identify the measures in place to mitigate the impact of the risks identified in the event of materialization.
- To identify the information and internal control systems used to control and manage risks, including contingent liabilities and off-balance sheet risks.

However, initial responsibility for the supervision of the Integrated Risk Control and Management System in Neinor Homes lies with each business area involved, with the addition of periodic reviews conducted by the Governance, Risk and Compliance Department and ultimate validation from the Audit and Control Committee.

In particular, in the tax area, the Company’s tax officer reports annually to the Board of Directors, either directly or via the Audit Committee, on the tax policies applied by the entity.

E.3. State the principal risks, including tax risks and corruption risks (within the meaning of Spanish Royal Decree Law 18/2017), where material, which could affect the successful attainment of business objectives.

Neinor Homes has classified the various risks to which it is exposed into 6 global categories:

- **Environmental risks:** related to the real estate sector and the cyclicality of the business. Correlation of our sector with macroeconomic cycles. Business structure/resources not aligned with cycle changes/diversification of activity (Assets/Leasing/Construction). Administrative impact of the sector. New fiscal and regulatory policies in the sector, land policies, management and licensing deadlines. Increase in construction and land acquisition costs due to rising raw material costs and inflation. Scarcity of third parties necessary for the development of our activity, such as construction companies, due to their bankruptcy. Changes and impact on consumer demand and the environment as a result of climate change.
- **Operational Risks:** Management of customer expectations and satisfaction. Excessive dependence on suppliers and sometimes limited supplier capacity of execution in time and form. Loss of business knowledge due to the outsourcing of essential services in the value chain. Retention and succession of key people. Inadequate adaptation to the industrial model. Alienation from the transformation and digitalization of the sector. Business paralysis due to external factors.
- **Compliance and ethical risks:** Non-compliance in time and quality of homes delivered. Illegal acts / criminal offences specified in the regulations, carried out by the company or its employees. Non-compliance with the rules and regulations to which the company is subject.
- **Financial and market risks:** Management of the capital markets and all risks related to meeting expectations agreed with shareholders/market. Excessive reliance on the financial sector. Low value of the company’s shares. Failure to meet margins and expected profits by investors and the market.
- **Strategic Risks:** Failure to meet deadlines or estimated costs for the development of strategic land (non-finalized) and land acquisitions. Asset valuation and lack of discipline, consistency, and reasonableness in land acquisition. Failure to meet sales targets outlined in the Business Plan. Lack of diversification in the company’s activities, focusing on a single line of business. Conflicts of interest in strategic development and the company’s long-term viability versus short-term investor and market expectations.
- **Climate change risks.** Following the main risks and opportunities identified by the Task Force on Climate-related Financial Disclosures (TCFD) in its recommendations for disclosures on climate-related risks and opportunities for financial institutions and non-financial companies, recommendations that were published in 2017 and are widely recognised internationally as guidelines on the subject. Transition risks (Political/Legal, Technology, Market, Reputational risks) and acute and chronic physical risks.

The nature of the real estate development activity means that Neinor Homes must assess and, where appropriate, mitigate both the risks inherent in the transition to a low-emission economy and those related to the physical impacts of climate change. See the note on Environmental Impact in the financial statements.

In this sense, in addition, non-compliance with certain ESG factors is one of the company's main risks, considering the company's environmental and social impact on the environment and on people as key, which has favoured certain actions with suppliers of raw materials, the energy efficiency of buildings, the analysis of climate change risks in our developments, the analysis of compliance with European taxonomy, actions aimed at promoting greater accessibility to housing or the study of the social impact in all our developments, among others.

The Integrated Control System (ICS) implemented is a dynamic tool, and as such it is intended to provide up-to-date, continuous information on the possible risks to which the Company may be exposed. Neinor Homes periodically compiles data on development / events that could potentially pose a risk from the various risk detections sources defined in order to facilitate analysis and continuous monitoring, to take any remedial measures required, and, where appropriate, to include any appropriate control / mitigation measures, and to analyse the effectiveness and value of the measures already in place in the ICS.

E.4. State whether the entity applies risk tolerance levels, including in relation to tax risks.

Risk tolerance levels are defined in the risk assessment scale used by Neinor Homes to evaluate the potential risks to which it is exposed, classifying those that the company is willing to assume or reject (in order to achieve its strategic objectives) and placing these risks on the Risk Map.

These assessment scales consider both the financial and reputational impacts which the materialization of the risks evaluated could entail.

In addition, the final risk evaluation made applying the assessment scales addresses the likelihood of materialization in view of both historic data and future estimates.

Risks are evaluated both at the inherent level and at the residual level, i.e. after the application of the control measures established in each case. This procedure ensures effective prioritization of all risk events.

The final risk classification includes both qualitative elements and elements that could affect the attainment of the company's strategic goals or interfere with its mission, vision and values.

The analyses made are contrasted with the opinions of third parties interested in the company and against internal sources.

In the tax area, Neinor Homes ensures strict compliance with tax legislation in the different territories where the group operates, settling the taxes due in accordance with the law based on a reasonable interpretation of prevailing rules, notwithstanding the possibility of legitimate disputes arising with the tax authorities in relation to the interpretation of the applicable tax legislation, despite the application of a best tax practice policy.

The Audit and Control Committee is responsible for reviewing these variables each year to update and approve the appropriate tax practices.

E.5. State any risks, including tax risks, which have materialized during the year.

During the 2024 financial year, some risks inherent to Neinor Homes' real estate business continued to materialize as in previous years, although they did not have a material impact on the development and functioning of the company. Below are the ones we consider to have materialized the most:

- Increased construction costs (raw materials and labour).
- Difficult situation of certain construction companies and subcontractors for the completion of the development.
- Shortage of qualified labour for the execution of the different works.
- Shortage of land for future developments and excessive cost of existing land.
- Regulatory uncertainty (Housing Law, development of urban planning plans).

Other risks that had materialized in previous years and that have been partially mitigated or have disappeared in the current short-term context are:

- Valuation of the company in the capital market.
- Increase in the cost of financing (interest rates), developer loans, corporate loans and increase in the spread for customers on mortgages.
- Uncertainty in the cycle due to the macroeconomic situation and demand.

On the other hand, during the 2017 fiscal year (1 June 2017), verification and investigation activities were initiated in respect of the companies in the NEINOR SUR group (VAT 2014-2016; Company Tax 2012-2015) and NEINOR PENINSULA (VAT 2015-2016; Company Tax 2015).

On 8 January 2019, the tax authorities concluded the verification and investigation procedure in respect of the companies and taxes described above, by means of a final settlement agreement with the following result:

- In relation to NEINOR SUR, no contingent liabilities have been detected that could represent a risk for the company;
- In relation to NEINOR PENINSULA:
    - Previously contingent liabilities (year ended 30 June 2015) in Company Tax have materialised due to differences in allocation over time, and tax penalties were issued. However, in the opinion of the Company and its advisors, the liabilities arising from such penalties do not evidence that they carry an associated material risk for the inspected company, given the nature of the discrepancy, so the likelihood of being confirmed by the Courts is remote.
    - In addition, previously contingent liabilities were detected for VAT (2015), and it is believed that it is likely that these liabilities will be confirmed by the courts, and therefore the company has made full provision for such risk.
    - In this regard, during 2019, the company filed an economic-administrative complaint with the Central Economic Administrative Tribunal (TEAC) against the inspection reports. The company and its advisors believe it is likely that the Court will be able to resolve the claim in a manner that will be favourable for the company's interests.

In the 2020 financial year, there were no new developments in this respect, with the actions described above continuing at the appeal stage.

During the 2021 financial year, contentious-administrative appeals were filed with the National Appellate Court in relation to the rejection of the Central Economic-Administrative Tribunal's resolutions regarding Corporate Income Tax, financial year 2015. The company and its advisors believe that the National Appellate Court may rule in favour of the company's interests.

In the years 2022, 2023, and 2024, no new developments have occurred in this regard.

E.6. Explain the response and oversight plans for the entity's principal risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to any new challenges arising.

During the process of updating the company's Corporate Risk Map, not only the risks and risk events that affect the business and regulatory compliance objectives of Neinor Homes have been defined, but also the control activities that allow mitigating such events.

The officers responsible for execution and supervision were identified for each of the controls established, and the supporting evidence required to show due implementation was defined.

In this regard, the functions envisaged in the Annual Activity Plans of the GRC and Internal Audit Management include periodic reviews of control activities to ensure their effectiveness and, where any control weaknesses may be observed, to make recommendations and propose relevant action plans.

Such periodic reviews of control activities are a fundamental part of the companies entire control structure, which integrates the different compliance systems implemented since the company was founded in May 2015, such as the ICFR and the criminal liability prevention, money laundering and terrorism finance prevention, data protection, related-party transactions and conflicts of interest, and fraud and corruption prevention systems, etc.

In order to effectively and efficiently integrate all of the compliance systems, the same uniform, standard implementation process was applied in every case, the key steps of which comprised analysis of external and internal expectations and risk appetite, analysis of domestic and international best practice policies and regulations, risk analyses, drafting of policies, analysis of the existing internal control structure, implementation and, where appropriate, design of additional controls / improvement measures, identification of the governance system (implementation / supervision / reporting), training and communication to the organization.

In addition, the Audit and Control Committee is provided with periodic reports for supervisory purposes on risk management developments in the company, the status of critical risks, monitoring and the progress of the response plans agreed.

Here are some of the measures taken to mitigate the risks that have materialized, as described in the previous section, which, as can be observed in the operational aspects related to construction, are easier to identify and include:

- Increased construction costs (raw materials and labor);
    - Promote the procurement of materials in advance of project execution.
    - Framework agreements with suppliers of the main brands prescribed in our projects.
- Delicate situation of certain construction companies and subcontractors for the completion of the development.
    - Establishment of collaborative agreements with construction companies.

- Control of payment flows to all parties involved in the execution of the project.
- Strengthening of the approval and selection processes for construction companies, increasing the relevance of their financial situation.

- Shortage of qualified labor for the execution of the different works.
  - Integration of more than one subcontractor for the execution of the main works.
  - Revision of the planning, in order to hire the necessary manpower in advance.

In addition to these measures, the company has strengthened both its construction management (Neinor Works), which provides support in those projects where the initially contracted construction company has left, and its construction subsidiary Quabit Construcción, which, together with the former, carries out projects from the outset when the price/quality/term conditions mean that the internal route may be the best option.

With regard to the scarcity of land for future development and the excessive cost of the existing ones, the complex existing regulations for ordering new buildable land, added to the tensions experienced in relation to construction costs, makes it difficult to find available assets that can be promoted.

The company's main response plans to mitigate this factor are the in-depth knowledge of the real estate market by geographic areas and expected expansion zones, the continuous monitoring of opportunities and the analysis and search for unique and adapted transactions.

As for regulatory uncertainty (housing law, development of urban plans, etc.), the changing adaptation of urban planning regulations by the different public administrations to new socio-economic contexts, adds to the already complex urban management regulations. Issues such as the reservation of subsidized housing on developable land or the flexibility of uses are some examples that cast uncertainty on the viability or economic reality of certain assets.

With regard to this situation, the company tries to have a deep knowledge of regulatory matters, an investment policy aimed at reducing regulatory risks, the complete monitoring of regulatory developments in order to know potential advances in regulatory matters and, of course, to maintain direct contact with all public authorities.

In the case of the increase in the cost of financing (interest rates), developer loans, corporate loans and increase in the spread for customers in mortgages, it is important to note that at December 31 Neinor Homes had available an amount of 541 million euros, of which it had 357 million available (both amounts exclude the debt linked to the finished product). In addition, a high percentage of the company's financing is green financing with better market conditions than the rest.

In 2022, the Company contracted a derivative / cap for 300 million, ensuring that it will not pay more than a 2% reference interest rate. With this measure, the company has mitigated the interest rate risk and has fully its current exposure for the next 4 years.

In October 2024, the Company successfully completed its second green bond issuance for an amount of €325 million, maturing in 2030 with a cost of 5.875%, excluding the interest rate derivative signed in 2022. This transaction improved Neinor’s overall debt cost by 62.5 basis points. The bond received a BB- rating from both Fitch and Standard & Poor’s.

Moreover, in a medium-interest-rate environment, which has shown a downward trend over the past year, and with the objective of reducing long-term debt related to owned assets intended for rental, the Company has continued its process of realizing their market value by selling them to various investors.

The company has remained active in this market, closing 3 operations in 2024 financial year (developments intended for rental to third parties), generating €95 million and bringing 482 residential units and 8 commercial premises to the rental market. In two of these transactions, investors have entrusted Neinor Homes with the management of the properties.

Likewise, with a view to diversifying risk, the company aims to maintain certain assets in property intended for rental, continues to build developments intended for rental and maintains the operational management of rentals in most of the assets it disposes of, thus maintaining the entire structure and capacity of this line of rental activity, sizing the property therein according to the situation of financial conditions and demand at any given time.

Finally, regarding the valuation of the company in the capital market or the uncertainty in the cycle due to the macroeconomic situation and demand, these are risks that involve a greater degree of complexity when taking specific measures that can help to mitigate them. However, the measures set out in the different strategic, business and real company response plans are based on the consolidation of a real estate platform, the diversification of the business, strengthening the rental line, the search for new alliances and partners to develop the BTS and BTR, the creation of business lines for the promotion of more affordable housing, the prioritization of the social and environmental impact of our business and finally to maintain a solid company in terms of deliveries, results and margins that gives an adequate return to shareholders and maintain this over time.

In this regard, the Company, after analysing the risk and uncertainty in the markets, reflected in the share value in the continuous market, and the undervaluation of real estate companies' shares, significantly below their NAV, has sought to compensate shareholders by enhancing their investment returns. Accordingly, in 2023, Neinor Homes approved an ambitious €600 million Shareholder Remuneration Plan within its Business Plan for the next five years. This initiative is positioning Neinor Homes as one of the listed companies with the highest shareholder remuneration through dividends.

The support for the new business plan from the capital markets was evident, as by the end of the financial year, 90% of analysts recommended buying Neinor Homes shares, with a target price of €12.60 per share. In 2023, Neinor Homes shares delivered a total return of 29%, and the discount to NAV narrowed to approximately 33%.

In 2024, Neinor Homes has continued making strong progress in executing its 2023-2027 Strategic Plan, presented in March 2023. Among the most significant milestones are three key indicators that reaffirm the company's commitment to its shareholders:

– First, the divestment in the Build-to-Rent (BTR) business has been a success, with the sale of six assets during 2023 and 2024: Hacienda Homes to Kygal, Sky Homes to Savills IM, Europa Homes to Harrison Street and DeA Capital, Dual Homes to CBRE IM, Alovera Homes to Avalon Properties, and Parla Homes to Round Hill Capital. These divestments amount to over 1,000 BTR units and have generated approximately €275 million in revenue.

– Second, these asset sales have enabled the company to bring forward part of the shareholder remuneration program, with €200 million scheduled for distribution in 2024, of which €75 million has already been executed and the remaining €125 million approved at the Extraordinary General Meeting. This move has further strengthened market confidence in Neinor Homes' strategy. Including the €125 million in dividends to be distributed in the first quarter of 2025, Neinor will have already achieved 54% of its €600 million shareholder remuneration target set for 2027.

– Third, in terms of efficient capital growth, in 2024 Neinor Homes has signed co-investment agreements with three strategic partners, exceeding its five-year target of €500 million, having raised a total of €1.1 billion in capital for co-investment businesses, of which €700 million is already invested.

As of December 31, 2024, the company considers that the measures taken to mitigate or eliminate both groups of risks have performed satisfactorily in ensuring the company's viability and meeting shareholder expectations.

Over the past two years (from December 31, 2022, to December 31, 2024), the company's market value has increased by 106% based on share valuation and by 143% in total return, taking into account this revaluation along with distributed dividends.

Regarding the prioritization of environmental and social impact in the company’s activities, the multiple measures launched by the company, as described in our Sustainability Report, along with an evaluation process that included direct reporting, interaction, and feedback with analysts, allowed us to be recognized for three consecutive years (2021, 2022, and 2023) by the prestigious ESG rating agency Sustainalytics (Morningstar) as the listed residential developer with the lowest ESG risk in the world. In 2024, Neinor Homes has chosen to discontinue evaluations that required direct reporting and interaction with analysts, allowing them to gather and analyse the publicly available information about the company.

However, in 2024, Neinor Homes was recognized with the excellence category in ESG performance by EUPD (Research Sustainable Management GmbH), receiving the ESG Transparency Award. Furthermore, Bolsas y Mercados Españoles (BME) included Neinor Homes in the IBEX ESG index, which brings together the 49 most prominent companies in the continuous market in terms of sustainability and ESG criteria.

Regarding tax risks, Neinor Homes has implemented control mechanisms to ensure compliance with tax regulations and its commitment to applying good tax practices, in particular:

✓ Approval of tax criteria in accordance with the company's tax policy and its commitment to the application of good tax practices. These criteria are reviewed and validated annually by the person responsible for tax matters;

✓ Supervision and continuous control of the proper implementation of the agreed criteria. This supervision is carried out both internally, by those responsible for tax matters, and externally, by an independent tax expert;

✓ On an ad hoc basis, the head of tax matters of the entity reports to the Board of Directors on the results of the tax risk control mechanisms.

As of December 31, 2024, after the course of this last fiscal year, we consider that all the measures and decisions taken regarding the analysed and materialized risks have allowed the company to diversify and, through both inorganic and organic growth, become a real estate platform that incorporates the entire value chain (urban planning, retail sales, real estate development, rental of owned and third-party properties, construction, co-investment vehicles (joint ventures), and analysing potential lines of coliving and senior living).

F INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PREPARATION AND ISSUE OF FINANCIAL INFORMATION (FIICS)

Describe the mechanisms making out the risk control and management systems relating to the preparation and issue of financial information by the company (FIICS).

F.1. Entity's control environment

Explain at least the following, describing key characteristics:

F.1.1. What bodies and/or departments are responsible for (i) the existence and application of an adequate and effective FIICS, (ii) implementation, and (iii) supervision.

Article 5.4 of the Board's Regulations establishes the powers of the Board of Directors in this area, and subparagraph xxiv specifically mentions its "ultimate responsibility for the existence and application off attend effective Financial information internal control system (FIICS)".

Implementation of the ICFR is a matter for all of the business areas defined in Neinor Homes, insofar as they are responsible for the application in practice of control mechanisms and measures to ensure the reliability of the company's financial information.

In its work of supervising the appropriate implementation and application of the system, the Board receives the support of the Audit and Control Committee (ACC), which is assigned the following tasks in accordance with Article 9.3 of the Audit and Control Committee Regulation:

- To assess the suitability and effectiveness of internal financial controls and systems of internal control and financial and non-financial risk management, including oversight of the financial information internal control systems (FIICS) to ensure that the main risks are duly identified, managed, assessed and reported.
- To provide assurance that these systems appropriately mitigate risks in the context of the policy established by the Board of Directors, where appropriate.

In relation to the implementation and creation of financial information, the Accounting department is responsible for these functions, with a double review process within the department to ensure the quality and integrity of the financial information.

Additionally, the Management Control department performs controls and analytical reviews on the main financial items of the company, observing their variation and reasonableness, cross-checking with the different information sources available.

F.1.2. Whether the following exist, especially in relation to the preparation of financial information:

- **Departments and or mechanisms for (i) the design and review of the organizational structure, (ii) the definition of lines of responsibility and authority, including appropriate distribution of tasks and duties, and (iii) the existence of sufficient procedures and awareness of the same throughout the company.**

  Neinor Homes' Board of Directors competences include defining the structure of the company, and it therefore has maximum responsibility for assigning duties related with the preparation and supervision of financial information and ensuring that each of the departments involved is duly apprised of its functions.

  The General Finance Department (GFD) has primary responsibility for preparing the financial information, although all departments of the company are required to foster transparency and ensure the accuracy of the information they handle and supply to the market.

- **Code of conduct, approval body, diffusion and training, principles and values included (stating any specific mentions of transaction recognition and the preparation of financial information), and body responsible for analysing non-compliance and proposing corrective actions and sanctions.**

Neinor Homes Code of Ethics was approved by the Board of Directors on 14 May 2015, and it has since been updated on several occasions, the last time on 10 March 2017. The company's Ethics Code is the main pillar of its culture, and it provides the main guide for the activity of Neinor Homes, establishing a catalogue of ethical principles, values and rules of conduct that should effectively direct the activity of all group companies and of the people forming part of the company. This document is distributed to all employees on a periodic basis and upon the induction of new employees into the company for their information. Employees are required to return a signed copy signalling their acceptance.

In addition, the GRC Department provides training on ethics and compliance to the entire company on an annual basis. Attendance is mandatory.

Specifically, annex 4 of the Ethics Code explains that "persons responsible for entering data in the different physical and digital ledgers utilized by the company in the process of preparing its financial information must assure the reliability, integrity, accuracy and currency of such data in order to ensure that the financial information reported reflects a true and fair image of the company's equity, financial position and results of operations."

Both the Ethics Code and the Code of Conduct for third parties, and many of the company's Compliance Policies, Manuals and best practices, compliance with which is mandatory for all employees, are published on the company's website (Shareholders and Investors / Corporate Governance and Sustainability / Codes and Policies). The company's principles and values are set out in its Ethics Code and in the published document titled "Mission, Vision and Values".

In addition, "the effectiveness of the Internal Financial Information Control System (ICFR) as a whole is assessed annually by the Internal Audit Management or by an independent third party".

On the other hand, one of the principles governing Neinor Homes' operations according to the Ethics Code is transparency, and the company therefore establishes that "it will supply the authorities, its shareholders, the markets in which it operates and its customers with accurate, transparent information on financial and accounting matters prepared in accordance with prevailing legislation".

Finally, all commitments to the Code of Ethics and the company's various policies and behaviour / conduct manuals are regularly circulated to all employees and new recruits, all of whom ratify their understanding and acceptance.

The body responsible for analysing breaches of the Code of Ethics and proposing corrective actions and sanctions is the GRC (Governance, Risk, and Compliance), Internal Audit, and Sustainability department, which directly reports to the Audit and Control Committee. This committee, delegated by the Board of Directors, is responsible for maintaining ethical and compliance policies to ensure they are followed with the utmost rigor.

- **Whistleblowers channel to allow reporting of financial and accounting irregularities to the audit committee, as well as possible cases of non-compliance with the code of conduct and irregular activities within the organization, stating, where applicable, whether this channel is confidential and whether it allows for anonymous communications, respecting the rights of the whistle-blower and the reported party.**

As explained in the previous section, the Board of Directors is the primary body responsible for promoting the implementation and maintenance of an ethical culture throughout the company. Through the Audit Committee, it establishes and oversees the necessary mechanisms to ensure compliance with policies.

Regarding the confidential system for reporting any type of irregularity through a dedicated channel, the Committee relies on the GRC Department and has appointed its director as the "Internal Reporting System Officer."

Neinor Homes has established an Ethics Channel that allows anyone to report irregular or inappropriate conduct related to accounting, control, risk management and financial information, as well as other relevant aspects concerning integrity, conduct and transparency in both internal and external transactions.

The communication channels available are:

- An Ethics Channel accessible at https://neinorhomes.integrityline.com/frontpage
- A postal address: Neinor Homes; Canal Ético; Paseo de la Castellana 20, 5ª planta; 28046, Madrid

Neinor Homes has published its Ethical Channel Management Procedure, which regulates the functioning of the Ethics Channel, on its website.

Reports are accepted whether submitted with or without the identification of the whistleblower. Full confidentiality of all reports and the anonymity of the reporting individual are guaranteed, and the system allows communication even without disclosing the person's identity. These reports are received by the GRC (Governance, Risk and Compliance), Internal Audit and Sustainability department, whose analysis is a priority for the company. When applicable, the reports are escalated to the Audit and Control Committee for resolution.

Reports received through the Ethics Channel generally do not relate to reportable offenses that violate the principles set out in the company's Code of Ethics. Instead, they are more commonly related to post-sales operational incidents following the handover of homes. When these incidents affect habitability aspects, the GRC Department monitors them to ensure that responses are provided and that company procedures are followed.

If a report concerns a violation of the company's ethical principles, the GRC Department analyzes the facts, prepares a report and distributes it to the CEO and/or the Audit and Control Committee, depending on the materiality and severity of the matter.

During the financial year, a report was received regarding a possible case of workplace harassment, which was forwarded to an Investigative Committee following the Anti-Harassment Protocol. This committee determined that harassment had not occurred and proposed certain measures aimed at fostering a positive work environment and resolving the situation amicably.

In addition to the previously mentioned report, no further reports were received concerning areas related to ethics, legality or regulatory compliance, but we did receive reports regarding issues affecting our clients during or after the purchase of their homes, which fall within the scope of complaints that are permitted for communication according to our Channel Management procedure.

As a result of the reports received, certain internal company procedures were improved. No reports have been received related to cases of discrimination, human rights violations, corruption, bribery or breaches of the Code of Ethics.

In addition to the external and internal Ethics Channel, the company has implemented an internal confidential channel for reporting inefficiencies, non-compliance with procedures, malpractice or inappropriate conduct by employees. Access to this channel is restricted to the GRC Department and the Quality Manager.

- **Periodic training and refresher programmes for employees involved in the preparation and review of financial information, and in FIICS assessments. These courses, or at least accounting rules, auditing, internal control and risk management.**

The entire team involved in the preparation and review of financial information has undergone specific training courses and regulatory updates in previous financial years.

Additionally, on a regular basis, the personnel involved in the preparation and review of financial information receives ongoing training and updates from the auditor on accounting standards.

The personnel involved in reviewing the financial information from the various oversight departments (strategy, management control, or internal audit) have experience in financial statement auditing and reviews of financial information.

The mandatory training, which is provided annually, covers compliance, ethics, competency, conduct regulations in securities markets, anti-money laundering, cybersecurity, data protection and sustainability.

Regarding the individuals who make up the GRC team, responsible for ensuring regulatory compliance within the company, they have received training on the following areas in the current financial year:

✓ Conflicts of interest and related parties.

✓ Data protection.

✓ Regulatory compliance and legal risks in the company's environment.

✓ Whistleblower channel.

✓ Supervision of non-financial information.

✓ Anti-money laundering.

Regarding the Company's Directors, upon joining the company, a welcome protocol is in place, which includes training on ethics, compliance, good governance, the use of insider and confidential information, the company's internal control structure and their responsibilities and obligations as company directors. This information is confirmed in various documents that they sign.

In the current financial year, the company's directors have received training on the following topics:

✓ ESG regulations

✓ Anti-money laundering and counter-terrorism financing

✓ Macro economy, housing, Spain’s current situation and outlook

✓ AI and the real estate sector

✓ Regulatory update: Technical Guide 1/2024 on Audit Committees of public interest entities

F.2. Assessment of financial reporting risks

Report at least the following:

F.2.1 Principal features of the risk identification process, including error and fraud, with regard to:

- **Existence and Documentation of the process.**

Neinor Homes has a procedure in place to establish the scope of the processes to be included in the ICFR and to identify the relevant business cycles.

The company has also defined a matrix of controls associated with potential risks and accounting or administrative processes in each procedure included in the FIICS. This matrix is reviewed annually. The officers responsible for execution and supervision, associated policies / procedures in place and the audit evidence required have been established for each control.

The company has established a methodology for risk management that is applied in the design and implementation of any internal control and regulatory compliance structure, which includes the following key elements:

- The consideration of both internal and external information for risk identification.
- The use of risk assessment scales for evaluating risks.
- The development of interviews and workshops for risk prioritization.
- The consideration of economic and reputational impact for risk categorization.
- The consideration of past, present, and future probability in the analysis of risk materialization.

All compliance environments within the company, such as the FIICS, are incorporated into an integrated internal control system and continuous risk management framework. The main features of this model are:

- Identification, for each risk event, of the associated corporate/strategic risk, strategic objectives, procedures, controls, and related evidence, all integrated into a control dashboard that avoids duplications between the controls and risks defined by each compliance or operational environment.
- Implementation of processes and protocols that enable the continuous identification of risks that materialize and their consideration in the redesign or improvements of the internal control model, as well as the corresponding corrective actions.
- Continuous monitoring and reporting of the model's performance and materialized risks to the company's Audit and Control Committee.

Section E provides a more detailed overview of the company’s Risk Control and Management Systems.

Regarding the process of identifying fraud or error risks, the company has established a series of review processes through audits, tests, budget controls, and approval levels, which we believe significantly mitigate the risk of errors (whether intentional or not) in the preparation of financial statements.

- **Whether the process covers all financial reporting objectives (existence and occurrence, integrity, measurement, presentation, details and comparability, and claims and obligations), and the frequency with which procedures are updated.**

The process defined and Neinor Homes covers all objectives related to financial information:

- ✓ Existence and occurrence: The transactions, events and other occurrences recorded in the financial information actually exist and have been recorded at the appropriate time.
- ✓ Completeness: The information reflects the full scope of transactions, events and other occurrences in which the entity is involved.
- ✓ Valuation: Transactions, events and other occurrences are recorded and valued in accordance with the applicable regulations.
- ✓ Classification, presentation and disclosure: Transactions, events and other occurrences are classified, presented and disclosed in the financial information in compliance with applicable regulations.
- ✓ Rights and obligations: The information reflects, as of the relevant date, the rights and obligations through the corresponding assets and liabilities, in accordance with applicable regulations.

These objectives are reviewed and updated when significant changes arise in the company’s operations impact financial information. In this regard, during the current financial year, due to the approval of the new strategic plan, changes have occurred that have led to new dynamic ICFR controls, which have been incorporated accordingly.

- **Existence of a process to establish the scope of consolidation, taking into consideration, inter alia, the possible existence of complex corporate structures, instrumental entities and special purpose vehicles.**

The identification of the consolidation perimeter, including details of the corporate holdings, is carried out at least annually or when corporate transactions affecting the share capital or reserves occur. These are communicated in real time by the Legal Department to the Finance Department, along with the deeds and documentation supporting the transaction.

Therefore, it is the Legal Department that determines and updates the corporate structure and the parent company's participation in each of its subsidiaries based on the various corporate transactions. The Finance Department, based on the information/contracts received and consolidation regulations, determines the consolidation perimeter, which is subsequently reviewed by the auditors.

In this way, the company maintains an up-to-date financial position, and the Finance Department proceeds to integrate the new companies into the financial statements and properly account for these transactions.

Within the consolidation perimeter of the Neinor Homes Group, there are no complex corporate structures that could lead to interpretations or value judgments that might affect the understanding of the Financial Statements. Any transaction or corporate operation that could impact the consolidation perimeter has been consulted with our external auditors to ensure its correct accounting in the Annual Accounts.

- **Whether the process takes into consideration the effects of other types of risks (operational, technological, financial, legal, tax, reputational and environmental risks, etc.) insofar as they might affect the financial statements.**

The ICFR is one of the components of the Integrated Control System (SIC) at Neinor Homes. This model also considers the following risks:

- ✓ Key risks related to regulatory compliance, such as fraud and corruption, money laundering, data protection, etc.
- ✓ Corporate risks. For details on the risks integrated at the corporate level, please refer to section E.3.
- ✓ Operational risks related to the company's activities (e.g., land acquisition, products, sales, procurement, among others).
- ✓ Legal and tax risks, which are addressed in various policies and action protocols.
- ✓ Reputational risks, considered within our corporate risks and the Internal Audit Plan.
- ✓ ESG risks, as explained in our non-financial information report.

- **Which of the entity's governance bodies supervises the process?**

As mentioned in section F.1.1, the Board of Directors, through the Audit and Control Committee (ACC), is responsible for overseeing the ICFR to ensure that key risks are identified, managed, assessed, and communicated appropriately. To carry out this function, the ACC relies on the GRC and Internal Audit departments, which annually review the effectiveness and efficiency of the ICFR.

F.3. Control activities

Explain at least the following, describing key characteristics:

F.3.1. Procedures involved in the review and authorization of the financial information to be published in the stock market and description of the FIICS, indicating the officers responsible, and of the documentation describing workflows and controls (including controls relating to the risk of fraud) involved in the different types of transactions which could materially affect the financial statements, including the procedures applied in the accounting close and in specific reviews of the use of relevant judgements, estimates, valuations and projections.

In accordance with Article 14.5.iii of the Board's Regulations, responsibility for supervising the preparation and presentation of regulated financial and non-financial information is delegated to the ACC in order to safeguard its integrity. The Committee relies on the support of the General Finance Department and the Internal Audit Department to discharge this function.

The review and authorization procedure for financial information consists initially of double verification by the Accounts Unit and Accounts Department, followed by a review carried out by the company's Management Control Unit and final verification by the Finance Department.

The financial results are reported to the Audit and Control Committee on a monthly basis.

On a quarterly basis, prior to the approval of the financial information by the Board of Directors and its subsequent publication, the Audit and Control Committee reviews and approves the financial information in a committee meeting. The information is provided in advance to allow for a reasonable time frame for analysis.

The GRC and Internal Audit Department, or an external expert, annually reviews the effectiveness and efficiency of the ICFR and reports the results to the Audit and Control Committee.

At the close of the financial year, the company has 170 procedures / policies and manuals, the non-compliance of which could have a direct or indirect impact on the financial statements. The General Finance Department is responsible for 17 of these procedures, covering the main functions of the department, such as accounting, the financial reporting control system, guarantees, financing, payments and collections, invoice receipt, dividends, bank reconciliations and treasury, among others. Furthermore, in 2024, the company has designed and implemented new controls related to the sale of individual operations, the valuation and accounting of derivatives hedging, transfers between inventories and investment properties due to changes in usage, and the review of relevant inputs of real estate assets (e.g., zoning classification) prior to the valuation process.

In addition to the aforementioned, the company conducts periodic tests on the accounting entries related to the detection of related party transactions and conflicts of interest. It also has a system of established controls, including the documented evidence, as well as various approval flowcharts for expenditures related to orders or invoices processed.

Regarding the accounting closure procedure, Neinor Homes has established a calendar with milestones and deadlines that must be met for each monthly closure. In this regard, the Accounting Department, in line with the dates set in the calendar and to avoid errors in the accounting information, closes the accounting periods sequentially by workgroup. The management system does not allow users within those workgroups to record entries if the accounting period has been closed for them. Additionally, each person responsible for the accounting ensures that the closure checklist has been properly completed.

On the other hand, there are individual and specific control activities for supervising the calculations of estimates and provisions (e.g. provisions for bonuses and extra pay, legal contingencies, tax contingencies, etc.). This financial information, obtained independently by the different areas involved, undergoes additional review, as it is validated by the Management Control Department before being sent to the Accounting Department. Additionally, an analytical verification is carried out by the Strategic Financial Planning Department or the Internal Audit Department.

F.3.2. Internal control policies and procedures relating to the information systems supporting relevant corporate processes involved in the preparation and publication of financial information (e.g. access security, change tracking, system operation, operational continuity and segregation of functions).

Neinor Homes relies on Information Systems for the majority of its business activities, as these serve as a fundamental support for internal operations, service management, and commercial development. The information processed by the various systems and applications, along with the communication infrastructure, represent, together with our people, key assets critical for the seamless operation of the business.

To this end, the Security Policy has been developed, which is made up of the organizational structure, human and technical resources, processes, plans, procedures, and protocols related to the preventive and responsive measures against security risks of a physical and logical nature, as well as compliance with applicable regulations and corporate governance standards.

The security requirements and objectives are determined by the Information Security Committee based on the criteria derived from Neinor Homes' policies and the needs identified by the information asset owners and business process managers. The scope includes all activities related to physical and information security, with a special focus on logical security. Its applicability covers the provision of activities and services both directly by the organization's own security and by third parties, following its guidelines and instructions, all from an advanced, comprehensive, and integrated approach.

The purpose of this Policy is to achieve adequate protection of the information assets of Neinor Homes, within the defined scope of the Information Security Management System, while preserving the following principles of security:

- Confidentiality: ensure that information can be accessed only by authorized persons. The procedures established relate to:
    - Physical and logical access controls
    - Information marking
    - Supports management and Destruction
- Integrity: assure the accuracy and completeness of information and processing methods.

  - Management of ERP patches and vulnerabilities
  - Change management procedures (new developments, mobility applications, etc.)
  - Security of development and support processes
- Availability: ensure that authorized users can access systems when they require information and associated assets. The scope of procedures yes associated with the availability guarantee comprises:
  - Backup Plan
  - Contingency Plan
  - Business Continuity Plan
  - Sundry Detection, Evaluation and Response procedures relating to disruptive incidents
- Privacy: ensure appropriate treatment of personal data

These basic principles must be preserved and ensured in any form the information may take, whether electronic, printed, visual, or spoken, and regardless of whether it is processed within the premises of Neinor Homes or outside of them.

In this regard, the company has implemented high levels of security for access, ongoing training in cybersecurity, reviews of sent information, mobile device usage protocols, daily backups of servers, restrictions on external device access, etc.

Neinor Homes has invoice approval and payment authorization processes, which are configured in the software tool used, allowing the identification of the individuals involved in each department and ensuring the segregation of duties.

Since the inception of Neinor Homes, the company has been certified annually for ISO 27001 Information Security. In December 2024, it renewed this certification with no non-conformities and completed the transition to ISO 27001:2022.

The certifier and evaluator has been BSI, which in its executive summary states:

"Several strengths have been identified in the ISMS, particularly highlighting the capabilities and professionalism of the personnel responsible for the system, demonstrating a high level of technical competence and a strong commitment to its management. Additionally, a significant effort has been made in raising awareness among staff regarding information security, which strengthens the organizational culture in this area. Furthermore, a proactive approach to risk management is evident, with the identification and mitigation of potential threats in advance, which enhances the system's resilience against adverse events."

"Corrective actions related to the non-conformities issued in the last audit have been reviewed and effectively implemented, demonstrating a strong commitment to continuous improvement and information security management."

In addition, Neinor Homes conducts a biennial external Cybersecurity audit, with a third party testing the company's IT defence systems. The last external audit was conducted in October 2023. In 2024, the company carried out an internal audit through a simulated phishing attack.

F.3.3. Internal control policies and procedures relating to supervision of the management of activities subcontracted to third parties, as well as assessments, calculations and evaluations entrusted to independent experts, where the same could materially affect the financial statements.

Neinor Homes has established a procedure for the selection, approval and assessment of providers / third parties (e.g. architects, construction firms, marketing firms, advisors and so on). This procedure allows an objective appraisal of external firms for the purposes of selection and contracting of those considered most suitable for the provision of services in accordance with the law and the company's own internal procedures (which include appropriate processing of financial information and the prohibition of disclosure without authorization, among other matters).

Neinor Homes understands that the scope of the internal control procedures applicable to third parties should include material providers, strategic providers having a potentially significant impact on financial information or at the reputational level, providers using confidential information or providing relevant professional services, as well as external auditors, independent asset appraisers and so forth, all of whom must be required to show their experience, independence and reputation in the market.

The reports issued by the independent expert are reviewed by personnel within the company who have the necessary experience and technical expertise in the relevant areas.

Furthermore, the company has a Code of Conduct for third parties, which establishes the ethical standards that significant collaborators providing services to Neinor Homes must adhere to. Among these principles are compliance with legal and tax obligations, and the prevention of criminal offences, fraud or corruption. This Code is accepted and signed by all strategic third parties with whom the company works.

F.4. Information and communication

Explain whether the entity has at least the following, describing key characteristics:

F.4.1. A specific department responsible for defining accounting policies and keeping them up to date (accounting policy unit or department), and for the resolution of concerns or conflicts arising in relation to their interpretation, maintaining fluid communication with the organization's operational managers, as well as a current manual of accounting policies duly issued to all of the entity's business units.

The General Finance Department (GFD) of Neinor Homes establishes the processes, as well as the applicable accounting policies and standards, and is also responsible for coordinating between the various departments involved in the preparation of financial information. On the other hand, the Administration and Accounting Department, which falls under the GFD, takes on the responsibility of defining and resolving any doubts arising from the interpretation of accounting policies.

In this regard, Neinor Homes has an internally prepared Accounting Policies Manual, reviewed periodically and validated by independent accounting experts, in which the classification and valuation criteria for the preparation of financial statements are defined.

The personnel involved in the preparation and review of financial information are continuously informed of accounting and tax updates through ongoing communication with their tax advisors, external auditor, and other alerts and notifications received from leading audit firms and professional offices.

The Audit and Control Committee is responsible for supervising and reviewing the annual accounts in accordance with current regulations, adhering to generally accepted accounting principles.

In cases where the application of regulations is complex in its interpretation, the company seeks advice from its external auditor and other advisors or regulatory bodies.

F.4.2. Mechanisms for the collection and preparation of applicable standard format financial information for use by all the company's departments and by the group to support the financial statements and the explanatory notes thereto, as well as the FIICS information.

The process of preparing financial information is defined at Neinor Homes and includes a description of the various activities carried out in a standardized manner during the accounting close and the preparation of financial statements, as well as the individuals responsible for their execution and review.

Additionally, a common software tool (PRINEX) is available, which handles the financial information of all entities, facilitating subsequent consolidation.

Furthermore, a single Chart of Accounts is used, which is implemented for the preparation and management of the accounting for all entities.

The person responsible for capturing and preparing the financial information is the Director of Accounting, after which all the information and financial statements are reviewed by the Deputy Director of Accounting from the same department.

F.5. Supervision of the system's functioning

Explain at least the following, describing key characteristics:

F.5.1. Supervisory activities undertaken in relation to the FIICS by the audit committee, and whether the entity has internal audit unit whose competences include supporting said committee in its supervision of the internal control system including the FIICS. Also, explain the scope of the FIICS evaluation carried out in the year and the procedure by which the party responsible for such evaluation reports its findings, whether the entity has an action plan establishing eventual corrective measures, and the consideration given to the possible impact on the financial information.

As mentioned in section F.1.1, o ensure the proper development and execution of the ICFR, the Board of Directors of

Neinor Homes relies on the Audit and Control Committee (ACC), which in turn delegates these monitoring functions to the GRC and Internal Audit Department.

The GRC and Internal Audit Department is, therefore, an objective and independent function from the other areas, as it reports directly to the Audit and Control Committee and indirectly, but functionally, to the CEO.

Among the assigned functions is the supervision of the ICFR's operation, which includes evaluating the effectiveness of the internal control system and ensuring, to a reasonable extent, the efficiency and effectiveness of resource usage, the reliability of financial information, and compliance with legality, as well as internal policies and procedures.

In the current financial year, the internal audit function has conducted testing of certain controls across various companies within the Group.

As part of the ICFR review, the design and effectiveness of controls, as well as the integrity of the evidence supporting these controls, are assessed on an annual basis.

In the current financial year and the previous one, additional verification has been carried out on the following:

- The integrity and truthfulness of the information reported in section F of the ACGR
- The alignment of the control matrix design with the risks it aims to mitigate or eliminate, with the objective of obtaining reasonable assurance of the achievement of the intended purpose
- The integrity of the evidence supporting these controls

Based on these reviews, a series of improvement measures for the ICFR model have been proposed, derived from the recommendations made by the GRC function. These measures will be implemented in the next financial year, subject to approval by the General Financial Directorate and the Audit Committee.

The action plan or improvement analysis resulting from the ICFR audit will be implemented by the financial department, supervised by the GRC and Internal Audit department, and reported to the Audit and Control Committee by this department.

F.5.2. Whether the entity has a discussion procedure allowing the auditor (in accordance with technical audit standards or NTA in the Spanish acronym), the internal audit department and other experts to communicate with senior management, the audit committee and the directors to report any significant internal control weaknesses observed in the course of their review procedures carried out in relation to the annual accounts and any other matters required of them. Also, report whether there is any action plan in place to correct or mitigate the weaknesses observed.

As established in the Board of Directors' regulations, the Audit and Control Committee will oversee the effectiveness of the Company's internal control system and that of its group, internal auditing and risk management systems, as well as discuss with the external auditor any significant weaknesses in the internal control system detected during the audit process, among other functions.

In this regard, Neinor Homes provides quarterly reporting for Senior Management and the Audit and Control Committee, during which the Internal Audit Department presents an analysis and follow-up on the implemented internal control and risk management system implemented, as well as the key findings and inefficiencies identified, and proposed action plans for implementation.

Furthermore, this reporting includes the results of other mandatory compliance audits conducted in collaboration with the Compliance Department (e.g. data protection, money laundering, etc.).

The external auditors also communicate the semi-annual and annual financial statements, as well as any weaknesses identified during their audit.

Additionally, the GRC and Internal Audit Department and the external auditor hold periodic meetings with the ACC without the presence of senior management, to report on the functioning of the control systems.

In the 2024 financial year, in addition to their attendance at the committee meetings, two meetings have been held between the external auditor and the Audit and Control Committee or the GRC Department, without the presence of senior management, and the internal audit function has maintained continuous communication with the Audit and Control Committee, providing updates on various aspects such as requirements received from supervisory bodies, identified risks, conducted audits, analysis of new regulations and training conducted.

To address weaknesses or non-compliance related to ethical issues or fraud, established protocols and policies are in place.

Lastly, compliance with matters related to conflicts of interest and related parties, as well as adherence to the company's Internal Code of Conduct as a public interest entity, is analysed and supervised. This information is regularly communicated to the Audit and Control Committee for their information and, where applicable, approval.

F.6. Other relevant information

Not applicable.

F.7. External auditor's report

Report of Deloitte, S.L., see annex I.

F.7.1. Whether the FIICS information published in the markets was subjected to a review by the external auditor, in which case the entity should include the pertinent report in an annex. Otherwise, explain the reasons.

The Group's Management, in order to provide the highest level of transparency regarding the preparation of its financial statements to all stakeholders, has decided to subject the information related to the ICFR, included in this section F of the Annual Corporate Governance Report for the 2024 financial year, prepared by the Group's Management, to external auditor review. Attached to this Annual Corporate Governance Report is the auditor's report on the internal control system over financial information (ICFR) of Neinor Homes S.A. for the financial year ending December 31, 2024.

Since 2016, the strategy of the external auditor for approaching the audit has been based on reliance on controls, which involves gathering information aimed at understanding how the entity is addressing the risks of errors for each of the significant business cycles (e.g. purchases, revenue recognition from standard sales, inventory valuation).

G IMPLEMENTATION OF CORPORATE GOVERNANCE RECOMMENDATIONS

State the degree of implementation by the company with respect to the recommendations contained in the Code of Good Governance for listed companies.

Provide a detailed explanation of the reasons if any recommendation is not followed, or is only partially followed, so that the shareholders, investors and markets in general are provided with sufficient information to evaluate and assess the company's actions. General explanations will not be considered acceptable.

1. The bylaws of listed companies should not limit the maximum number of votes which may be cast by a single shareholder or contain any other restrictions which might hinder a takeover of the company by means of the acquisition of shares in the market.

☑ **Cumple** ☐ **Explíque**

2. That when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it publicly and accurately discloses:

   a) The respective areas of business and potential business relationships between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other.

   b) The mechanisms you established to resolve any potential conflicts of interest that could arise.

☐ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☑ **No aplicable**

3. During the annual general meeting, the chairman of the Board of Directors should supplement the published annual corporate governance report with a sufficiently detailed verbal report to the shareholders on key corporate governance issues in the company, including the following:

   a) Changes occurring since the last annual general meeting.

   b) The specific reasons why the company does not follow any of the Corporate Good Governance recommendations, and whether any alternative rules are applied to the matters in question.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

4. That the company defines and promotes a policy of communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully respects the rules against market abuse and gives similar treatment to shareholders in the same position. And that the company makes this policy public on its website, including information on how it has been put into practice and identifies the parties or persons responsible for implementing it.

   And that, without prejudice to the legal obligations to disclose inside information and other types of regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximising the dissemination and quality of the information available to the market, to investors and to other stakeholders.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

5. The Board of Directors should not seek the delegation from annual general meetings of powers to issue shares or convertible bonds where such issues exclude preferential subscription rights and exceed 20% of share capital at the time of delegation.

Where the board of directors approves any issue of shares or convertible securities involving the exclusion of preferential subscription rights, the company should immediately publish the reports on such exclusion required in accordance with prevailing companies' legislation on its website.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

6. Listed companies preparing the reports mentioned below, whether on a mandatory or voluntary basis, should publish the same on their corporate website sufficiently in advance of the date of the annual general meeting, even where publication is not mandatory:

a) Report on auditor independence

b) Reports of the functioning of the audit and appointments and Remunerations Committees

c) Audit committee report on related-party transactions

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

7. The company should broadcast shareholders' general meetings live on its website.

And that the company has mechanisms that enable proxy voting and voting by electronic means and also in the case of large capitalisation companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting

☑ **Cumple** ☐ **Explíque**

8. That the audit committee ensures that the annual accounts submitted by the board of directors to the general shareholders' meeting are drawn up in accordance with accounting regulations. In those cases where the auditor has included a qualification in its audit report, the chairman of the audit committee clearly explains to the general shareholders' meeting the audit committee's opinion on its content and scope, making a summary of this opinion available to shareholders at the time of publication of the notice of call to the meeting, together with the rest of the proposals and reports of the board.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

9. The company should publish the requirements and procedures required to establish ownership of shares, the right of attendance at shareholders' general meetings and arrange proxy votes on its website on a permanent basis.

Such requirements and procedures should be designed to foster attendance and the exercise of voting rights by shareholders, and they should be applied on a non-discriminatory basis.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

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10. Where any shareholder may legitimately have exercised the right to make any addition to the agenda or to present new proposals for resolutions before the date of the annual general meeting, the company should:

a) Immediately publish such additional agenda items and new proposals for resolutions.

b) Publish the form of the attendance card, proxy voting form or remote voting form containing the necessary changes to allow voting on the new points on the agenda and alternative proposals, in accordance with the terms proposed by the board of directors.

c) Submit all such agenda items or alternative proposals to a vote applying the same voting rules as in the case of proposals made by the board of directors, including in particular any assumptions or deductions with regard to the nature of votes.

d) After the General Shareholders Meeting, the company should provide a breakdown of votes cast on any such additional agenda items or alternative proposals.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

11. If the company intends to pay any premiums for attendance at the annual general meeting, it should establish a general policy regarding such premiums in advance and apply said policy on a stable basis.

☐ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☑ **No aplicable**

12. The board of directors should perform its duties with unity of purpose and independence, according all shareholders the same treatment. It shall be always guided by the company's best interest, to be understood as establishing a profitable business that is sustainable in the long run, promoting business continuity and maximizing the company's value.

In pursuit of the corporate interest, the company should not only abide by applicable laws and regulations and act in good faith, ethically and with due respect for custom and generally accepted best practice, but also seek to reconcile said corporate interest with the legitimate interests of its employees, suppliers, customers and other stakeholders potentially affected by the conduct of affairs, and with the impact of the company's activities on the community as a whole and on the environment.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

13. The Board of Directors should be of an appropriate size to ensure effective functioning and participation, which makes it advisable that it should have between five and fifteen members.

☑ **Cumple** ☐ **Explíque**

14. The board of directors should approve a policy for the selection of directors which:

a) Is concrete and verificable.

b) Ensures that proposals for appointment or re-election of members are based on a prior analysis of the board's needs.

c) Encourages diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The result of the prior analysis of the needs of the board of directors should be included in the nomination committee's explanatory report published when convening the general meeting of shareholders at which the ratification, appointment or re-election of each director is to be submitted.

Compliance with the director selection policy shall be verified annually by the nomination committee and reported in the annual corporate governance report.

☑ Cumple ☐ Cumple parcialmente ☐ Explíque

15. Proprietary and independent directors should represent and ample majority on the board of directors, and the number of executive directors should be the lowest possible taking into consideration the complexity of the corporate group and the percentage of shares in the company held by the executive directors.

And that the number of female directors accounts for at least 40% of the members of the board of directors by the end of 2022 and thereafter, and is no less than 30% prior to this.

☐ Cumple ☑ Cumple parcialmente ☑ Explíque

In the financial year that has ended, the number of female directors did not reach 40% of the total number of board members and, as there were no departures from the board, the company did not have the opportunity to add a female director to the Board. The number and diversity (except for gender) of the Board members is considered appropriate, as has been evidenced by the various evaluations of the functioning of the Board and its Committees carried out by the Appointments and Remuneration Committee assisted by external experts of recognised prestige, and internally by the Governance, Risk and Compliance area.

Regarding new board members, the Company will encourage diversity of gender, experience and knowledge among its directors and will ensure that there are no implicit biases that could lead to any kind of discrimination, especially in the selection of female directors.

For future appointments (not foreseen in the short term), female candidates must always be considered and given equal qualifications, must be selected.

16. The percentage of proprietary directors out of the total non-executive directors should not be greater than the proportion between the shares in the company represented by said proprietary directors and the rest of the share capital.

This criterion may be relaxed in the following circumstances:

a) In companies with significant capitalization in which there are very shareholdings that would legally be defined as significant.

b) In the case of companies where numerous unrelated shareholders are represented on the board of directors.

☑ Cumple ☐ Explíque

17. Independent directors should make up at least half of the total number of directors.

Nevertheless, where a company is not a large capitalization concern, or if it is, where a single shareholder or several acting in concert control more than 30% of share capital, the number of independent board members should represent at least one third of the total board members.

☑ Cumple ☐ Explíque

18. Companies should publish the following information about directors on their corporate websites, keeping always said information up to date:

a) Professional and biographical profile.

b) Other boards of which directors are members, whether or not in listed companies and any other remunerated activities undertaken, whatever their nature.

c) Indication of the category of director to which each board member belongs, stating the shareholder represented or with whom a director has links in the case of proprietary directors.

d) Date of first appointment as a director of the company, and dates of any subsequent reappointments.

e) Shares and stock options held in the company.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

19. Subject to verification by the appointments committee, the annual corporate governance report should explain the reasons for the appointment of proprietary board members at the request of shareholders holding equity interests of less than 3% of share capital. Likewise, the reasons for the refusal, where applicable, of any formal requests for seats on the board made by shareholders holding interests of equal size or greater than the interests owned by other shareholders at whose request proprietary board members were appointed.

☐ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☑ **No aplicable**

20. Proprietary directors should tender their resignation whenever the shareholder represented transfers its interest in share capital. An appropriate number of proprietary directors should also do so where the shareholder represented lowers its shareholding to a level requiring a reduction in the number of proprietary directors.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

21. The Board of Directors should not propose the removal of any independent director before the end of the statutory term of office for which the same was appointed, except with good cause established by the board subject to a report of the appointments committee. In particular, good cause shall be deemed to exist where the director takes up any new office or contracts new obligations which would prevent him/her from dedicating the time necessary to discharge the functions proper to the office of director or fails to discharge the duties inherent in his/her office or is affected by any circumstances in view of which he/she might lose the condition of independence within the meaning of applicable legislation.

The removal of independent directors may also be proposed because of any public takeover bid, merger or similar corporate transactions which would entail a change in the company's capital structure, where such changes in the make-up of the board of directors are obey the principle of proportionality mentioned in recommendation 16.

☑ **Cumple** ☐ **Explíque**

22. Companies should establish rules obliging directors to report and, where applicable, to resign in any circumstances that could detrimentally affect the credit and reputation of the company and requiring them to notify the board of directors of any criminal charges that may be brought against them and explain the progress of trial proceedings.

And that the board, having been informed of or otherwise having knowledge of any of the situations mentioned in the preceding paragraph, examines the matter as promptly as possible and, in view of the circumstances, decides, after a report from the Appointments and Remuneration Committee, whether or not to take any action, such as initiating an internal investigation, requesting the resignation of the director or proposing his or her removal. And that a report is included in the annual corporate governance report, unless there are special circumstances justifying it, which must be recorded in the minutes. This is without prejudice to any information that the company must disclose when the corresponding measures are adopted.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

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23. All directors should clearly express their objections when they consider that any proposal submitted to the board for a decision is contrary to the corporate interest. In particular, the independent and other directors who are not affected by a potential conflict of interests should likewise object wherever they consider that any decisions might be detrimental to the interests of other shareholders not represented on the board of directors.

Where the board of directors adopts any significant decision in relation to which a director may have expressed serious reservations, or where it may repeat any such decision, the director concerned should consider their position and, if they opt to resign, they should explain their reasons in the letter mentioned in the next recommendation.

This recommendation also applies to the secretary to the board of directors, even where the same is not a director.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

24. That when, either by resignation or by resolution of the general shareholders' meeting, a director resigns before the end of his or her term of office, he or she sufficiently explains the reasons for his or her resignation or, in the case of non-executive directors, his or her opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And that, without prejudice to the disclosure of all the above in the annual corporate governance report, insofar as it is relevant for investors, the company publishes the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

25. The appointments committee should ensure that non-executive directors have sufficient time available for the appropriate discharge of their duties.

The Board's Regulations should establish a maximum number of other companies' boards on which the directors may hold seats.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

26. The board of directors should meet as often as necessary to perform its functions effectively and at least eight times per year, following a schedule of dates and issues established at the start of the year. However, each director may also individually propose other initially unscheduled items for inclusion in the agenda.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

27. Failure on the part of board members to attend meetings should be confined to unavoidable cases and non-attendance should be quantified in the annual corporate governance report. Proxies should be arranged with instructions in the event of inability to attend.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

28. Where the directors or the secretary express any concerns over a proposal, or in the case of directors, over the conduct of the company's affairs, and such concerns are not resolved at a meeting of the board of directors, the concerns raised shall be recorded in the minutes at the request of the party expressing the same.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

29. The company should establish appropriate channels to allow the directors to obtain the necessary advice to discharge their duties, including external advisory services payable by the company where circumstances so require.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

30. Irrespective of the expertise required of directors for the discharge of their duties, companies should offer the directors training programmes to refresh their knowledge and skills, where circumstances so require.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

31. The agenda for board meetings should clearly indicate the points on which the board of directors is required to adopt a decision or resolution, so that the directors can examine or obtain the necessary information in advance.

Where the chairman may wish in exceptional circumstances and for reasons of urgency to propose decisions or resolutions which are not included in the agenda for approval by the board of directors, the express prior consent of most of the board members present shall be required and shall be recorded in the minutes.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

32. Board members should be periodically informed of changes in the shareholder structure and of the opinions of the company held by significant shareholders, investors and credit rating agencies.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

33. As the officer responsible for the effective functioning of the board of directors, the chairman shall exercise the functions attributed by law and the bylaws and should prepare and submit to the board of directors a schedule of dates and an agenda, organize and coordinate periodic assessments of the board, and where appropriate, of the company's chief executive officer. The chairman should likewise direct the work and effective functioning of the board, ensuring that sufficient time is given over to the discussion of strategic issues, and agreeing and reviewing the programmes established to refresh the knowledge of each director where circumstances so require.

☑ **Cumple** ☐ **Cumple parcialmente** ☑ **Explíque**

34. Where there is a coordinating director, the bylaws or Board's Regulations should attribute the following functions to said officer in addition to the powers legally assigned to the same: to chair the board of directors in the absence of the chairman and deputy chairs, where applicable; to take note of the concerns voiced by non-executive directors; to maintain contacts with investors

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and shareholders in order to learn their points of view and form an opinion of their concerns, in particular with regard to corporate governance of the company; and to coordinate the plan for succession of the chairman.

☐ Cumple ☐ Cumple parcialmente ☐ Explíque ☑ No aplicable

35. The secretary to the board of directors should oversee the board's actions and decisions, ensuring that they are based on the good governance recommendations applicable to the company as set forth in the Code of Good Governance.

☑ Cumple ☐ Explíque

36. The board of directors shall meet once per year in full session to evaluate and, where appropriate, adopt an action plan to correct any weaknesses identified with respect to:

a) The quality and effectiveness of the board's functioning.

b) The functioning and membership of its committees.

c) The diversity of the board's membership and competences.

d) The performance of the chairman of the board of directors and of the company's chief executive.

e) The performance and contribution of each director, paying special attention to the heads of the various board committees.

Assessments of the different committees should be based upon the reports submitted by the same to the board of directors, while the evaluation of the board itself shall be based on the report submitted by the appointments committee.

Every three years, the board of directors should be assisted in its evaluation by an external consultant, whose independence should be verified by the appointments committee.

Business relations maintained by the company or any group company with the consultant or any company forming part of the consultant's group shall be duly disclosed in the annual corporate governance report.

The processes and areas evaluated should be described in the annual corporate governance report.

☑ Cumple ☐ Cumple parcialmente ☐ Explíque

37. That when there is an executive committee, at least two non-executive directors sit on it, at least one of whom is independent; and its secretary is the secretary of the board of directors.

☐ Cumple ☐ Cumple parcialmente ☐ Explíque ☑ No aplicable

38. The board of directors should always be apprised of the matters debated and decisions taken by the executive committee, and all directors should receive copies of the minutes to meetings of the executive committee.

☐ Cumple ☐ Cumple parcialmente ☐ Explíque ☑ No aplicable

39. That the members of the audit committee, and especially its chairman, are appointed considering their knowledge and experience in accounting, auditing or risk management, both financial and non-financial.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

40. A unit should be set up under the supervision of the audit committee to perform the internal audit function and oversee the proper functioning of information and internal control systems. The internal audit unit should report functionally to the non-executive chairman of the board or to the audit committee.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

41. That the head of the unit responsible for the internal audit function presents his/her annual work plan to the audit committee for approval by the committee or by the board, reports directly to it on its implementation, including any incidents and limitations on scope arising in the course of its implementation, the results and follow-up of his/her recommendations, and submits activities report to it at the end of each year.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

42. In addition to those established by law, the audit committee should perform the following functions:

1. In relation to information systems and internal control:

a) To supervise and assess the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) To ensure the independence of the unit assuming the internal audit function; proposing the selection, appointment and removal of the head of the internal audit department; proposing the budget for internal audit; approving or proposing approval to the board of the annual internal audit orientation and work plan, ensuring that its activity is primarily focused on relevant risks (including reputational risks); receiving regular information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers and contractors or subcontractors, reporting any potentially significant irregularities, including financial and accounting irregularities, or of any other type, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistleblower and the reported party.

d) To ensure in general that the established internal control policies and systems are effectively implemented in practice.

2. In relation to the external auditor:

a) To examine the circumstances and reasons in the event the external auditor should resign.

b) To ensure that the external auditor's fees for its work do not compromise quality or its independence.

c) To oversee reporting by the company of any change of auditor to the CNMV, and to ensure that it is accompanied by a statement regarding the possible existence of disagreements with the outgoing auditor, if any, and the contents thereof.

d) To ensure that the external auditor holds an annual meeting with the whole of the board of directors to report on the audit work carried out and on the evolution of accounting matters and the risks to which the company is exposed.

e) To ensure that the company and the external auditor respect prevailing regulations governing the provision of non-audit services, the limits on the concentration of the auditor's business and the terms of other regulations governing auditor independence in general.

☑ Cumple ☐ Cumple parcialmente ☐ Explíque

43. The audit committee should be able to call any employee or executive of the company, and even to require attendance without the presence of any other executive.

☑ Cumple ☐ Cumple parcialmente ☐ Explíque

44. The audit committee should be informed of all transactions involving structural or corporate changes which the company plans to carry out. The committee shall examine such information and report in advance to the board of directors on the financial terms and accounting impact of such transactions, and on the exchange ratio proposed, if any.

☑ Cumple ☐ Cumple parcialmente ☐ Explíque ☐ No aplicable

45. The risk control and management policy should define at least:

a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

b) A tiered risk management and control model, including a specialised risk committee where sectoral rules so provide or where the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures established to mitigate the impact of the risks identified, in the event any should materialize.

e) The information and internal control systems used to control and manage risks, including contingent liabilities and off-balance sheet risks.

☑ Cumple ☐ Cumple parcialmente ☐ Explíque

46. An internal control and risk management function headed up by an internal unit or department of the company should be set up under the direct supervision of the audit committee or, where appropriate, of a specialized board committee to take charge of the following functions:

a) To ensure the proper functioning of risk control and management systems and, in particular, to ensure that the same adequately identify, manage and quantify all significant risks to which the company may be exposed.

b) To participate actively in the preparation of the risk strategy and significant decisions with regard to risk management.

c) To ensure that risk control and management systems adequately mitigate risks within the framework of the policy defined by the board of directors.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

47. The members of the appointments and Remunerations Committee (or of the appointments committee and remuneration committee where separate) should be appointed in view of their expertise, skills and experience with regard to the functions they are required to discharge, and the majority should be independent board members.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

48. Large capitalization companies should establish a separate appointments committee and remuneration committee.

☐ **Cumple** ☐ **Explíque** ☑ **No aplicable**

49. The appointments committee should consult with the chairman of the board and the company's chief executive officer, on matters relating to executive board members.

Any director should be able to request that the appointments committee take potential candidates to cover vacancies in the board into consideration, where they understand the same to be suitable.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

50. The remuneration committee should exercise its functions independently. In addition to those attributed by law, said functions shall comprise the following:

a) To propose the basic terms of senior management contracts to the board of directors.

b) To verify compliance with the remuneration policy established by the company.

c) Periodically to review the remuneration policy applied to directors and senior executives, including share-based remuneration systems and their application, if any, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other directors and senior executives of the company.

d) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the committee.

e) To verify information on the remuneration of directors and senior executives contained in corporate documents, including the annual report on directors' remuneration.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

51. The remuneration committee should consult with the chairman of the board and the company's chief executive, on matters relating to executive directors and senior management personnel.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

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52. The rules governing the membership and functioning of supervisory and control committees should be set out in the Board's Regulations and should be consistent with those applicable by law to mandatory committees in accordance with the foregoing recommendations, including:

a) Membership should comprise exclusively non-executive directors and a majority should be independent board members.

b) Committee chairpersons should be independent directors.

c) The board of directors should appoint the members of committees in view of the expertise, skills and experience of directors and the duties entrusted to each committee and should debate their proposals and reports. Each committee should likewise be held to account for its activity and work at the first full meeting of the board held after each of committee meeting.

d) Committees should seek external advice where considered necessary for the due discharge of their functions.

e) Minutes should be kept of each meeting and should be provided to all the directors.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

53. That the supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, is entrusted to one or several committees of the board of directors, which could be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the board of directors, in the exercise of its powers of self-organisation, decides to create. And that such a committee is composed solely of non-executive directors, the majority of whom are independent, and it is specifically attributed the minimum functions indicated in the following recommendation.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

54. That the minimum functions referred to in the above recommendation are as follows:

a) Overseeing compliance with the company's corporate governance rules and with the internal codes of conduct and ensuring that the corporate culture is aligned with the purpose and values thereof.

b) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and interacts with small and medium-sized shareholders will also be monitored.

c) The periodic review and evaluation of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the interests of society and consider, where appropriate, the legitimate interests of other stakeholders.

d) Monitoring that the company's environmental and social practices are in line with the strategy and policy established.

e) Monitoring and evaluation of stakeholder engagement processes.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

55. That the sustainability policies on environmental and social issues identify and include, as a minimum:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conduct.

b) Methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.

d) The channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that avoid manipulation of information and protect integrity and honour.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

56. Directors' remuneration should be set at the necessary levels to attract and retain directors with the desired profile, and to reward the dedication, qualifications and responsibility required by their office, but it should not be set so high as to compromise the independence of non-executive directors.

☑ **Cumple** ☐ **Explíque**

57. Variable remuneration linked to the company's results and personal performance should be confined to the executive directors, as should remuneration systems based on the allocation of shares, options or rights over shares or other instruments linked to the share price, and long-term savings systems such as pension plans or retirement and other prudential schemes.

Share-based remuneration may be considered for non-executive directors subject to the condition that any securities delivered by held until the director concerned leaves office. This condition shall not apply to any securities which the board member concerned may need to dispose of, where applicable, to settle acquisition costs.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque**

58. That the payment of variable components of remuneration are subject to sufficient verification that performance or other pre-established conditions have been effectively met. Institutions will include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In particular, variable pay components should:

a) Be linked to predetermined, measurable performance criteria, and such criteria should take into account the risks assumed to obtain results.

b) Promote the sustainability of the company and include non-financial criteria related to long-run value creation, as well as compliance with the company's internal rules and procedures, and with its risk control and management policies.

c) Be structured on the basis of balance between the attainment of objectives in the short, medium and long term, so as to remunerate ongoing success and performance over a sufficient period of time to appreciate the contribution made to the sustainable creation of value and ensure that the performance variables measured do not refer only to one-off, occasional or extraordinary events.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

59. That the payment of variable components of remuneration are subject to sufficient verification that performance or other pre-established conditions have been effectively met. Institutions will include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions are assessing the establishment of a "malus" clause based on the deferral for a sufficient period of the payment of a part of the variable components involving their total or partial loss in the event that an event occurs prior to the time of payment that makes this advisable.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

60. Compensation that is tied to the company's earnings should consider the qualifications, if any, contained in the external auditor's report where the same reduce earnings.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

61. A relevant percentage of the variable remuneration paid to executive directors should be linked to the delivery of shares or financial instruments indexed to the share price.

☐ **Cumple** ☐ **Cumple parcialmente** ☑ **Explíque** ☐ **No aplicable**

The Management Incentive Plan 2023-2025 (MIP 2023-2025) which was approved by the Board, with the favourable report of the Appointments and Remuneration Committee, at its written meeting held without a meeting on 30 March 2023 only provides for the payment of the accrued incentive in cash.

62. That once the financial instruments, options or shares corresponding to the remuneration systems have been allocated, executive directors may not transfer ownership or exercise such rights until at least three years have elapsed.

An exception is made where the director, at the time of the transfer or exercise, has a net financial exposure to changes in the share price of a market value equivalent to an amount of at least twice his/her annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remuneration committee, to deal with any extraordinary situations that so require.

☐ **Cumple** ☐ **Cumple parcialmente** ☑ **Explíque** ☐ **No aplicable**

The expired Long-Term Incentive Plan 2020-2022, from which the share-based remuneration of the Executive Director and other members of the management team is derived, provides for a three-year vesting period (2020 - 2022). Once the period has ended, the accrued amount, if any, is payable on a deferred basis as follows: 50% in the year following the end of the vesting period, 25% in the second year following the end of the vesting period and the remaining 25% in the third year following the end of the vesting period. Once the shares have been received, the executive directors are obliged to maintain the shares received for a period of one year from their delivery.

The new incentive plan, Management Incentive Plan 2023-2025 (MIP 2023-2025), whose beneficiaries are the Executive Director and other members of the management team, envisages a cash payment (not in shares, options or financial instruments) of the incentives achieved, once the company's accounts have been approved at the General Shareholders' Meeting, i.e. the deferral would comprise one quarter.

63. Contractual agreements with directors should include a clause allowing the company to claim reimbursement of variable remuneration items where payment was not in line with the performance conditions established, or where payment was made in view of data later found to be inaccurate.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

64. Severance payments made on the termination of contracts should not exceed two years' total annual remuneration, and they should not be made until the company has been able to verify that the director concerned fulfils the performance criteria established.

For the purposes of this recommendation, contractual cancellation or termination payments include any payments whose accrual or payment obligation arises because of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

☑ **Cumple** ☐ **Cumple parcialmente** ☐ **Explíque** ☐ **No aplicable**

H OTHER MATTERS OF INTEREST

1. Briefly describe any other relevant corporate governance matters in the company or its group entities that are not considered in the preceding sections of this report and require inclusion to complete the reasoned information offered on the governance structure and practices of the entity and its group.

2. You may also include in this section any other information, clarification or qualification related with the preceding sections of this report, to the extent that such explanations are not repetitious.

Specifically, state whether the company is subject to any corporate governance legislation other than Spanish law and, where applicable, include any information that you are under the obligation to provide other than that required in this report.

3. The company may also state whether it has voluntarily adhered to any other international, industry or other ethical or best practice codes. Indicate the code in question and the date of adhesion, where applicable. In particular, you should mention whether the company has adhered to the Code of Best Tax Practice of 20 July 2010.

H.1

Neinor Homes is fully aware of its significance as a business, institutional and social entity, as a leading company in residential development in Spain. Therefore, it cannot and does not wish to be indifferent to conducting all its operations with the utmost diligence in terms of Good Governance, ethics and transparency.

Below is the information we consider necessary to include for a better understanding of the company in terms of Corporate Governance and the efforts the Company has made to advance in this regard.

Neinor Homes' main code is its Code of Conduct, which outlines the fundamental principles and criteria that must be followed by all employees. This code is communicated, accepted and adhered to by all employees on a regular basis.

In line with the previous paragraph, Neinor Homes has established its Corporate Governance norms in its Articles of Association, the Regulations of the Board of Directors and the General Shareholders' Meeting, the Regulations of all Board Committees, and the Internal Code of Conduct for the Securities Markets. All of these have been approved by the Board of Directors and are applicable from the first day of official admission of the Company´s shares to trading on the Spanish Stock Exchanges.

In this regard, Neinor Homes has developed a series of mandatory policies and regulations that are monitored through the integrated control system. These policies support and reinforce Corporate Governance by complementing the regulations of its Governing Bodies. All these documents are available on the corporate website, under the section https://www.neinorhomes.com/en/corporate/esg/ethics/

- Code of Conduct for third parties.
- Conflict of interest and related parties transactions.
- Code of best practices in the real estate mediation services.
- Corporate Crime Prevention System.
- Director selection policy.
- Tax policy and good tax practices
- Compliance Handbook.
- Internal Audit Handbook.
- Policy on provision of non-audit services by the external auditor.
- Employment policy for former employees of the Company´s auditor.
- Electronic shareholder forum operating rules.
- Risk management policy.
- Diversity and non-discrimination policy.
- Corporate Governance policy.
- Sustainability policy.
- General economic-financial and corporate communication policy
- Internal manual for the disclosure of privileged and other relevant information
- Remuneration policy for the member of the Board of Directors.
- Quality, environment and innovation policy.
- Treasury shares policy.
- Internal code of conduct in security markets.

- Prevention of corruption, fraud and bribery policy.
- Health and safety policy.
- Sustainable investment and financing policy.
- Sustainable financing framework
- Ethical Channel management procedure
- Human Rights Policy

On the other hand, we believe it is important to highlight that since the very first day of the company's incorporation, its Board of Directors has carried out a deep reflection on the relationships that the company must maintain with all its Stakeholders, as leaders of the sector's transformation that we want to achieve, and beyond its shareholders and the financial community, many actions and initiatives have been undertaken that we want to be reflected in our way of doing things and to be beneficial for our human team, our suppliers, clients, the environment, regulatory bodies, media, and society in general, among others…, some of which are:

1. **Continuous Internal Control and Risk Management Model.** The quality certification (ISO 9001) recurrently considers risk management and other assurance areas within the company as one of its most significant strengths.
2. **Continuous Improvement Model in Corporate Governance:** Consists primarily of two actions:
   - The company has created a structure for continuous monitoring and follow-up of the continuous improvement objectives related to its non-financial projects, including environmental, quality, innovation matters, etc.
   - The company has implemented a Continuous Corporate Governance Management Model that monitors the governance-related activities to be carried out throughout the year. To this end, it has conducted an in-depth analysis of national and international regulations, recommends the mandatory activities that must be included in the agenda of each Board and Committee, and, finally, performs an annual assessment of the degree of compliance with the recommendations of the CUBG, the LSC, the New Audit Law, CNMV Guidelines, and international best practices (King IV, Federal Sentencing Guidelines, etc.).
3. **Creation of the White Book.** Neinor Homes has created the first White Book in the residential sector, a design and construction manual aimed at standardizing the quality, sustainability, and design parameters that define all real estate developments. In this way, all processes necessary throughout the life cycle of Neinor Homes products are systematized and detailed so that architects and builders follow them, adhering to the high standards defined by the company.
4. **Pioneers in Environmental Compliance.** We are the first residential developer in Spain to have published our alignment with the European Taxonomy for the past three years, and we have been measuring our emissions (carbon footprint) across all three scopes for several years, both of which have enabled us to meet our commitment to improving our results annually.
5. **Certification of Neinor Homes' Integrated Management System.** The company holds the following certifications: Quality Management (ISO 9001), Environmental Management (ISO 14001), R&D&I Management (UNE 166002) and Information Security Management (ISO 27001), all of which were granted in previous years and have been renewed in the current year. This makes Neinor Homes the first real estate developer of the new cycle to obtain these four certifications.
6. **Preparation of the Sustainability Report (Non-Financial Information Statement) based on the GRI standards,** making visible and public the efforts and resources the company invests in social responsibility. It includes a materiality analysis, which is highly valuable from a strategic perspective as it focuses on social, environmental and economic issues that are relevant to the company's business and influence the creation of value for its stakeholders.
7. **Capturing the immense opportunity that the transformation and consolidation of the real estate sector represent in generating sustainable value for all stakeholders.** The company approved its 2022-2025 Strategic Sustainability Plan in 2021, aimed at creating value for the environment, society, and individuals. The plan is structured around the company's three strategic pillars (Environmental, Social, and Governance), and consists of 16 areas of action, 30 objectives, and 95 action lines. Its primary objective is to achieve margins and returns consistent with the risk inherent in the real estate business, by building homes with people in mind, establishing stable relationships with our suppliers, and increasing the value of our employees.

   In 2023, since the Plan was at the midpoint of its total duration, the action lines were reviewed and their compliance analysed to assess whether they were aligned with the company's strategy, whether they would remain until the completion of the plan (2025) and whether any new ones needed to be included.

   In the current fiscal year, a new review has been conducted, both of the action lines and the main objectives, through the Double Materiality Analysis, carried out with all the company's stakeholders and its entire value chain.

   These analyses aimed to redirect the company's strategy, adapting it to the expectations of our environment, reality, and regulations, and, above all, generating a real positive impact on people and the environment, avoiding 'greenwashing'.

   Following the review and update of the Plan in 2023, the initial 95 action lines were reduced to 66: 37 were completed and 8 new ones were added.

   As of December 31, 2024, of the 66 action lines, 56 have been completed or are in the process of being completed, representing an 85% compliance rate.

Regarding the 10 activities that are still pending, the company expects to complete them during the 2025 fiscal year, the final year of the Plan.

Finally, we would like to convey that Neinor Homes wants to demonstrate its full commitment to sustainability and the impact it leaves on our society. Therefore, despite not being subject to the law in previous years regarding non-financial and diversity, approved on December 13, 2018, Neinor Homes has fully complied with it and publishes its Non-Financial Information Statement or Sustainability Report, meeting all the information requirements, which is reviewed with a verification report regarding its integrity and accuracy by an independent third party.

H.2

Neinor Homes has been adhering to the Code of Good Tax Practices since it was approved by its Board on July 26, 2017, promoted by the Forum of Large Companies and the Spanish Tax Agency, and complies with the provisions contained therein.

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on February 25, 2025.

State whether any directors voted against the approval of this Report or abstained.

☐ Sí ☑ No

Names of directors who did not vote in favour of approving this report	Type of vote (against, abstention, absence)	Explain the reasons

Remarks

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

NEINOR HOMES, S.A.

REPORTING PERIOD END 2024

Company Tax ID Code (C.I.F.) A-95786562

Company name: NEINOR HOMES, S.A.

Registered Office: C/ Henao 20, Bilbao

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR

A1. Explain the current remuneration policy for directors applicable to the current year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided that the inclusion is clear, specific and concrete.

A description must be given of the specific decisions for the current year, both on the remuneration of directors due to their status as such, as well as for the performance of executive roles, which the board makes in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general shareholders' meeting.

In any case, at least the following aspects must be reported:

- *Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its terms.*
- *Indicate and, if applicable, explain whether comparable companies have been considered in establishing the company's remuneration policy.*
- *Information on whether any external advisors have been involved and, if so, who they are.*
- *Procedures contemplated in the current director compensation policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.*

- The Remuneration Policy is applicable to the members of the Board of Directors of Neinor Homes, S.A. ("Neinor Homes" or the "Company"), in compliance with the legal requirements established by the Consolidated Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, 2010 (hereinafter, the "Capital Companies Act") (the "Remuneration Policy" or the "Policy").

  The Remuneration Policy has been prepared by the Company taking into account the relevance of the Company, its economic situation and market standards for comparable companies.

  As part of the latest review process of the Remuneration Policy, the Company has received legal advice from Roca Junyent, S.L.P. The previous updates were advised by Uria. In addition, the Company has been advised by Seeliger and Conde in the development of the Company's long-term variable remuneration plan described in the Policy.

  The remuneration programs set out in the Policy and detailed in this report maintain a reasonable proportion to the Company's relevance, its economic situation and the market standards of comparable companies and promote the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results and ensuring the alignment of the interests of the directors with those of the Company and its shareholders.

  The company's Remuneration Policy incorporates the provisions of Article 529 novodecies of the Capital Companies Act, as amended by Law 5/2021, which amends the Capital Companies Act, imposing new requirements on the content of the remuneration policies for directors of listed companies and making it mandatory to adapt the policies in force at the next General Meeting held by listed companies after the entry into force of said law in accordance with the First Transitory Provision of Law 5/2021. Additionally, aspects derived from the revision of the Good Governance Code of the National Securities Commission in June 2020 were incorporated.

  The last review of the Remuneration Policy that was carried out, in 2023, was aimed at updating the description of the Company's long-term variable remuneration plan, since the plan contained in the previous Policy, called the Long Term Incentive Plan 2020 (hereinafter "LTIP 2020"), ended in 2022, having been replaced by a new plan, the "Management Incentive Plan 2023-2025" (hereinafter "MIP 2023-2025"), which was approved by the Board, with the favourable report of the Appointments and Remuneration Committee, at its meeting held in writing and without a meeting on 30 March 2023.

  Likewise, the references in the Policy to the Executive Director other than the CEO have been eliminated, as there is currently only one executive director, the CEO, since the other director who held that position, Mr. Jorge Pepa, resigned in April 2022.

  The Remuneration Policy applies for the period 2022-2025 and its latest modification was approved by the Ordinary General Meeting of Shareholders for the 2024 fiscal year, which was held on April 17, 2024.

  The Remuneration Policy is in force until 31 December 2025.

- The Policy is designed to provide a solid structure for good corporate governance. The general principles and criteria used are summarized as follows:

  a) Ensuring independence of judgment

  Remuneration is structured in such a way as not to compromise the independent judgment of non-executive directors, with special attention to that awarded to independent directors.

  b) Attracting and retaining the best professionals

  The remuneration policy aims to establish a competitive remuneration that allows to attract and retain talent that contributes to the creation of value for the Company.

c) **Long-term sustainability**

Remuneration shall be consistent with the long-term interests and strategy of the Company, as well as with its values and objectives, and includes provisions to avoid conflicts of interest, excessive risk-taking and rewarding unfavorable performance.

d) **Transparency**

The remuneration policy and the specific rules for determining remuneration shall be clear and well-disseminated. In this regard, at the beginning of each year or at the General Shareholders' Meeting, the maximum total amount of remuneration that can be paid to directors shall be made public, as well as the conditions that must be met in order to obtain such remuneration.

e) **Clarity and individualization**

The rules for the management and determination of remuneration shall be drafted in a clear, simple and concise manner.

f) **Fairness of remuneration**

- Remuneration is set taking into consideration the dedication, qualifications and responsibility required by the position, as well as the experience, functions and tasks performed by each director. In addition, remuneration must maintain a balance between market competitiveness and internal equity.
- Likewise, the conditions of the other employees of the group have been taken into account so that the principles of the remuneration system for executive directors are aligned with the general remuneration programs of the group. In this sense, certain remuneration elements such as other additional components to the remuneration, or the remuneration systems referenced to the value of the Neinor Homes share may only be offered to executive directors when similar elements are accessible to other employees of the Group.
- The maximum annual remuneration to be received by the members of the Board of Directors in their capacity as such is 1,500,000 €.
- The maximum individual amount to be received by each of the aforementioned directors as fixed annual compensation is as follows:
  - A maximum of 150,000 euros for the Chairman of the Board of Directors.
  - A maximum of 100,000 euros for each independent and “other external” directors.
- If, following any increase in the number of directors sitting in the Board, the aggregate remuneration otherwise payable to them as members of the Board were to exceed the maximum annual amount of 1,500,00 euros referred in this Section, then the Board of Directors may reduce the individual remuneration described in this section on a proportional basis.
- Only independent directors and those in the "other external" category are entitled to receive remuneration due to their status as such.

As part of the update of the Company's long-term variable remuneration plan, described as the "Management Incentive Plan 2023-2025", the Company received advice from Seeliger y Conde in the preparation of the Company's long-term variable remuneration plan. In performing their advisory duties, Seeliger y Conde (i) carried out a consultation process with several of the Company's senior executives; and (ii) analysed the medium-term incentive plans of 7 national companies in the real estate sector, including residential development companies of a similar size to Neinor Homes.

- The Policy provides for the following compensation components:

a) Fixed annual remuneration.

b) Attendance fees for meetings of the Board and its Committees.

c) Remuneration in shares or linked to their performance, without prejudice to the provisions of the Regulations of the Board of Directors.

The remuneration mentioned in a) and b) above only applies to “independent” and "other external" directors.

Notwithstanding the provision mentioned in section c) above, Directors are currently not entitled to any share-based or performance-related remuneration, meaning there is no variable remuneration.

The total amount payable by the Company as compensation to all of its directors for these three items may not exceed the relevant amount determined for this purpose by the General Meeting. The amount thus determined by the General Meeting shall apply unless and until the General Meeting approves other amount in accordance with applicable laws.

However, the determination of the specific amount to be paid to each director for these items within the maximum amount approved by the General Meeting shall be agreed by the Board of Directors in accordance with this Remunerations Policy. For such purpose, the Board shall take into account the office held by each director within the Board itself, as well as the membership and attendance of each director to any committees.

Finally, the Company shall pay for any premium due for any civil liability insurance policy taken out by the Company in respect of its directors upon customary market terms and commensurate with the circumstances of the Company.

- The remuneration of the Chief Executive Officer is set forth in his contract signed with the Company on April 8, 2019. The Chief Executive Officer does not receive any remuneration for his position as a member of the Board of Directors or the Committees, only for his executive position and, unlike the external directors, he does have a variable remuneration system, which seeks to align the interests of the Chief Executive Officer with the Company's shareholders by establishing specific objectives linked to the creation of value in the medium and long term. The remuneration structure is composed of the following elements:

  a) Fixed remuneration: The executive director of the Company shall be entitled to receive an amount not exceeding 900,000 euros as fixed annual remuneration. In fiscal year 2024, the Chief Executive Officer has received a remuneration of 663,000 euros.

b) Annual bonus to be established annually by the Board of Directors. The annual variable remuneration of the executive director may in no case exceed 100% of the amount of the fixed remuneration. The variable remuneration received in the financial year 2024, accrued in 2023, amounted to 350,000 euros while the amount accrued and approved by the Appointments and Remuneration Committee for the financial year 2024, which will be paid in 2025, amounts to 500,000 euros.

c) Participation in the company's medium-term incentive schemes. See section B.7 below.

d) Directors and Officers ("D&O") insurance.

- *The relative importance of variable to fixed remuneration items (remuneration mix) and what criteria and objectives have been taken into account in their determination and to ensure an appropriate balance between fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the long-term objectives, values and interests of the company, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy addresses the long-term performance of the company, measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures envisaged to avoid conflicts of interest.*

  Also indicate whether the company has established any vesting or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a deferral period for the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether any clause has been agreed to reduce deferred remuneration or oblige the director to return the remuneration received, when such remuneration has been based on data whose inaccuracy has subsequently been manifestly demonstrated.

Article 25.3 of the Board of Directors' Regulations establishes that directors' remuneration must be in reasonable proportion to the importance of the Company, its economic situation at any given time, the standards that are met on the market in companies of a similar size or activity and consider their dedication to the Company. The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Company and incorporate the necessary precautions to avoid the excessive assumption of risks and unfavourable results. In particular, the remuneration system should set the necessary limits and safeguards to ensure that variable remuneration is related to the professional performance of the beneficiaries and does not derive solely from the general evolution of the markets or the sector.

The directors' remuneration policy established by the Company does not establish variable remuneration for directors for their status as such, but only a fixed remuneration and per diems for attending meetings, with the aim of remunerating directors adequately and sufficiently for their dedication, qualifications and responsibilities, without compromising their independence of judgement or encouraging the Company to take excessive risks.

The Chief Executive Officer remuneration system is aligned with the Company's interests. The annual objectives set for the bonus are linked to performance. Specifically, the individual contract entered into with the Chief Executive Officer provides for the possibility of receiving annual variable remuneration in cash, provided that the results significantly improve the business plan and that the Board of Directors of the Company so decides. In this respect, the weighted parameters taken into consideration to set the variable remuneration are as follows:

<u>Financial and operating performance parameters:</u>

Net final profit established in the Business Plan.	25%
Number of developments forecasted-launched for construction.	20%
Compliance with the OpEx established in the Business Plan.	25%
Contribution margin established in the Business Plan.	20%

<u>Non-financial performance parameters:</u>

These are linked to different objectives, such as the progress of the Group's Sustainability Plan, compliance with Corporate Governance, compliance/alignment with taxonomy, implementation of ESG improvements, obtaining “green” financing, measuring and reducing the carbon footprint, employee training, customer satisfaction levels, equality and non-discrimination objectives, and similar. The weight of non-financial objectives will be a maximum of 25%. Each year, the company specifically references those aspects it deems most relevant, with compliance exceeding 70% of the strategic plan's objectives and more than 80% of the most relevant ones, as outlined below:

- ✓ Measurement of carbon footprint through LCA and its annual reduction.
- ✓ Annual increase in EPC energy certificates of AA category.
- ✓ Achieve over 80% waste recovery in all our construction projects.
- ✓ Establish water-saving systems and installations in all our developments.
- ✓ Annual increase in alignment with taxonomy compared to the previous year.
- ✓ Comply with the percentages of accessible housing, protected housing or housing for affordable rent in projects, under construction, or delivered, based on the total number of homes delivered by the company each year as outlined in the Sustainability Strategic Plan.
- ✓ Keep accident rates below the industry average.
- ✓ Annual measurement of the social impact of all delivered developments.
- ✓ Financial and non-financial compliance audits with no reservations, uncertainties, emphasis paragraphs, or significant incidents.
- ✓ Achieve positive BDI and EBITDA.

In the 2024 financial year, in addition to achieving 100% of the aforementioned targets, the specific parameter considered was the support and assistance in obtaining financing through a €325 million green bond to justify its sustainable nature, complying with the sustainable financing framework and current regulations.

The achievement of these objectives accounts for 10% of the variable remuneration.

The above criteria have been established based on their contribution to the achievement of the Group's long-term objectives by pursuing sustainable revenue growth with a debt ratio appropriate to the Group's capital structure, while the Company takes into due consideration the non-financial parameters that, among other aspects, promote workforce stability to ensure talent retention and excellence in service, as well as the Group's concerns regarding ESG, all with the aim of maximizing shareholder value creation.

The annual bonus plans provide that in the event that (i) any event or circumstance occurs that results in a definitive alteration or negative variation in the financial statements, results, economic, performance or other data on which the accrual and payment to the beneficiary of any amount of variable remuneration was based and that (ii) such alteration or variation determines that, had it been known at the vesting or payment date, the beneficiary would have received an amount lower than that initially paid, the beneficiary shall be obliged to reimburse the Company for the excess amount received, and the Company shall be entitled to claim such reimbursement. This provision is independent of any liability that the beneficiary may have in the aforementioned alteration or negative variation. The Company may offset the amount claimed against any other amount due to the beneficiary.

In the 2023 financial year, a three-year medium-term incentive scheme came into force, which is explained in detail in section B7:

a) Management Incentive Plan 2023-2025 (“MIP 2023-2025”)

In addition to certain members of the Company's senior management, the Chief Executive Officer is a beneficiary of the MIP 2023-2025.

The MIP 2023-2025 is composed of three one-year cycles. The first Plan cycle runs from 1 January 2023 to 31 December 2023. The second Plan cycle runs from 1 January 2024 to 31 December 2024 and the third Plan cycle runs from 1 January 2025 to 31 December 2025. At the end of each achievement period, the incentive payable in cash to each beneficiary will be calculated taking into account the level of achievement of certain pre-approved metrics, described in section B.7, as follows:

- The actual settlement will take place after the approval of the annual accounts for the year in which each cycle ends and the approval of the Board's proposal for the corresponding dividend for each year (that is, 2024 for the first cycle, 2025 for the second cycle, and 2026 for the last cycle).
- The accrual in each of the three years will be calculated in proportion to the total dividends distributed in each year over the Total Shareholder Return (TSR) for the 3 years, the total estimated amount for all the participants in the plan and for the entire plan over the three years amounts to 15 million euros, linked to the payout of 450 million euros as TSR, with a payout ceiling in case the dividends distributed are higher than the 450 million euros of the entire planned plan (limited to 17.5 million euros for the entire 3 years of vesting). The vesting of the Incentive will not be capped on an annual basis.
- There are a series of levels that distribute the amount to be received by each participant in the plan over the total amount allocated, with the percentage allocated to the CEO being 21%.
- The Board must approve the TSR target and the EBITDA key for each of the years of the plan, all in accordance with the 2023-2027 Strategic Plan, compliance with which will be a precondition for accrual of the Incentive.

Clawback: In case of voluntary departure of an executive from the company before the third year (end of the plan), a penalty equivalent to 30% of the amount accrued and received up to that moment (net of taxes) will be applied.

The Appointments and Remuneration Committee shall have the power to propose to the Board of Directors the cancellation of the payment of the MIP 2023-2025 to the Executive Director, in whole or in part, in the event of certain supervening circumstances (reduction and clawback clauses).

- *Amount and nature of the fixed components expected to accrue to directors in their capacity as directors during the financial year*

The remuneration established for directors qualifying as "independent" and "other external" is as follows:

a) Fixed remuneration:

- A maximum of 150,000 euros for the Chairperson of the Board of Directors. The fixed remuneration in fiscal year 2023 amounted to 121,325 euros.
- A maximum of 100,000 euros for each independent and “other external” directors. The fixed remuneration in fiscal year 2023 amounted to 89,675 euros.

b) Per diems for attendance at meetings of the Board and its Committees:

- Board meetings: 3,000 € per meeting.
- Committee meetings: 1,500 € per committee meeting.

The Chief Executive Officer only receives remuneration for the performance of senior management functions. Therefore, he does not receive any remuneration for the performance of his duties as member of the Board of Directors and as a member of the Land Investment Committee.

- *Amount and nature of the fixed components that will be accrued in the year for the performance of senior management functions by executive directors.*

The fixed remuneration of the Chief Executive Officer for the performance of senior management functions during the year is six hundred and sixty-three thousand euros (€663,000).

- *Amount and nature of any component of remuneration in kind that will accrue in the year including, but not limited to, insurance premiums paid on behalf of the director.*

The contract entered with the Chief Executive Officer provides for entitlement to the social welfare benefits set out below:

- Medical assistance insurance.

- Life insurance, total permanent disability, absolute disability or major disability covering (i) a gross capital benefit of 1,000,000 euros in the event of total permanent disability, absolute disability or major disability and (ii) a gross capital benefit of 1,000,000 euros in the event of death.
- Directors and Officers (D&O) insurance.
- Any other social welfare benefits generally recognised by the Company for the group of directors or executives, established by the Board of Directors, subject to a report from the Appointments and Remuneration Committee.

- *Amount and nature of the variable components, distinguishing between short- and long-term components. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, explaining the extent to which such parameters are related to the performance of the director, the company and its risk profile, and the methodology, time frame and techniques used to determine them, at the end of the year, the degree of compliance with the parameters used in the design of variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance or other conditions to which the accrual and vesting of each component of variable remuneration was linked have been effectively met.*

  Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and if there is any maximum monetary amount in absolute terms.

There are no variable components in the remuneration of the members of the Board of Directors in their capacity as such (except for attendance fees, the amount of which depends on the number of annual meetings of the Board and its Committees).

For his part, the Chief Executive Officer receives the following variable remuneration indicated below for his senior management functions:

1. **Annual bonus**

The Chief Executive Officer may receive an annual variable remuneration (bonus), in accordance with the provisions of his individual contract with the Company, to be set at the discretion of the Board of Directors and to be received exclusively in the event that the objectives established in the business plan are exceeded.

The contract entered into with the Chief Executive Officer shall establish clawback clauses obliging the director to repay to the Company and empowering the Company to claim repayment of all or part of the variable remuneration in the event of the occurrence of any event or circumstance that results in the alteration or negative variation with definitive character, of the financial statements, results, economic, performance or other data on which the accrual and payment to the Executive Director of any amount as variable remuneration was based.

The annual variable remuneration that, if applicable, is approved by the Company may be paid in cash and/or include the delivery of shares or share-based instruments, provided that the corresponding threshold of the indicators established with respect to what is foreseen in the business plan is reached. In this regard, the parameters to be taken into consideration by the Board of Directors to set the amount of variable remuneration must be specific, predetermined, quantifiable and measurable and be in line with the Company's strategy, promote its sustainability and the Group's profitability in the long term.

The Remuneration policy for board members, approved by the Ordinary General Meeting of Shareholders on April 13, 2022, and amended on April 17, 2024, includes both financial and non-financial performance parameters.

2. **Long Term Incentive Plan (MIP 2023-2025)**. Details of the Plan can be found in section B7 below.

- *Main characteristics of the long-term savings systems. Among other information, the contingencies covered by the system, whether it is a defined contribution or defined benefit system, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or indemnity for early termination or severance, or derived from the termination of the contractual relationship, under the terms provided, between the company and the director, shall be indicated.*

  Indicate whether the vesting or vesting of any of the long-term savings' plans is linked to the achievement of certain objectives or benchmarks related to the short- and long-term performance of the director.

The Company has no long-term savings system in place.

- *Any type of payment or indemnity for early termination or severance or derived from the termination of the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed covenants, such as exclusivity, post-contractual non-competition and permanence or loyalty, which entitle the director to any type of payment.*

The contract signed by the Company with the Chief Executive Officer establishes compensation for an amount equivalent to two years of his fixed remuneration in the event of termination of the contract by the Company, unless said termination is due to a serious and guilty breach on his part of the obligations that legally or contractually incumbent upon him.

In the event of termination of the contract due to withdrawal of the Chief Executive Officer, he must notify the Company in writing at least 3 months in advance and must compensate the Company with an amount equivalent to the fixed remuneration applicable in the moment of termination of the Contract corresponding to the period of notice that has not been complied with.

- *Indicate the conditions to be respected in the contracts of those who perform senior management functions as executive directors. Among others, information should be provided on the duration, limits on the amounts of compensation, tenure clauses, notice periods, as well as payment in lieu of the notice period, and any other clauses relating to hiring bonuses, as well as compensation or golden parachute clauses in the event of early termination or termination of the contractual relationship between the company and the executive director. Include, among others, non-competition, exclusivity, permanence or loyalty and post-contractual non-competition covenants or agreements, unless explained in the preceding section.*

The main terms and conditions of the service contract entered into by the Company with the Chief Executive Officer are as follows:

- Duration: the contract entered into force on 8 April 2019 and will remain in force for as long as Mr Francisco de Borja García-Egocheaga Vergara remains as Chief Executive Officer of the Company.
- Exclusivity: The Chief Executive Officer of the Company shall perform his duties exclusively for the Company on a full-time basis and may not work directly or indirectly or provide services for third parties or on his own account, even if such activities do not compete with those of the Company.
- Post-contractual non-competition: once the contract is terminated for any reason, the Chief Executive Officer may not carry out, for a period of one year, any activity that is concurrent with those of the Company or any company of the Neinor group, either on his own account or on behalf of a competing employer.

As compensation for the post-contractual non-competition obligation, he shall be entitled to receive a gross amount equal to 70% of the annual fixed remuneration in force at that time.

- *The nature and estimated amount of any other additional remuneration to be earned by directors in the current financial year in consideration for services rendered other than those inherent in their office*

The Company has not established any supplementary remuneration for directors.

- *Other items of remuneration such as those derived, if applicable, from the granting by the company to the director of advances, loans and guarantees and other remuneration.*

There are no other remuneration items.

- *The nature and estimated amount of any other expected additional remuneration not included in the preceding paragraphs, whether paid by the entity or another group entity, that will accrue to directors in the current financial year.*

There are no other supplementary remunerations.

A.2 *Explain any relevant changes to the remuneration policy applicable in the current financial year arising from:*

- *A new policy or a modification of the policy already approved by the Board.*
- *Relevant changes in the specific determinations established by the board for the current financial year in the current remuneration policy compared to those applied in the previous financial year.*
- *Proposals that the board of directors would have resolved to submit to the general meeting of shareholders to which this annual report will be submitted and which are proposed to be applicable to the current financial year.*

In the 2024 financial year, no significant changes have occurred in the Company's Remuneration Policy. Only a series of amendments approved by the Board of Directors on November 22, 2023, were approved by the General Meeting of Shareholders held on April 17, 2024, which were described in the 2023 Annual Remuneration Report.

The Remuneration Policy is valid until December 31, 2025.

A.3 *Identify the direct link to the document containing the company's current remuneration policy, which should be available on the company's website.*

https://www.neinorhomes.com/en/corporate/esg/ethics/corporate-governance-information/corporate-governance-policies/remuneration-policy-for-the-members-of-the-board-of-directors/

A.4 *Explain, considering the data provided in section B.4, how the vote of the shareholders at the general meeting at which the annual remuneration report for the previous year was put to a consultative vote was considered.*

As stated in the notarial record of the General Shareholders' Meeting held on 17 April 2024, duly authorized by the Notary of Bilbao, Ms. Raquel Ruiz Torres under protocol number 943, the Annual Directors' Remuneration Report for the year ended 31 December 2023 was approved in a consultative vote with 96.3660% of votes in favour. Accordingly, no action has been taken in this regard.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.1.1 *Explain the process followed to implement the remuneration policy and determine the individual remuneration reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and role* *of external advisors whose services were used in the process of implementing the remuneration policy in the financial year ended.*

As regards the remuneration of directors in their capacity as such, insofar as the remuneration provided for in the remuneration policy is fixed, the Company has limited itself to applying it on its own terms.

The amount accrued by the directors in their capacity as such during the financial year 2024 is as follows:

- Ricardo Martí Fluxá: received a fixed annual remuneration of 121,325 €, as well as 46,500 € in attendance fees.
- Anna M. Birulés Bertran: received a fixed remuneration of 89,675 €, as well as 40,500 € in attendance fees.
- Alfonso Rodés Vilà: received a fixed remuneration of 89,675 €, as well as 31,500 € in attendance fees.
- Andreas Segal: received a fixed remuneration of 89,675 €, as well as 33,000 € in attendance fees.

Regarding the variable remuneration of the Chief Executive Officer, the Appointments and Remuneration Committee, at its meeting held on January 29, 2025, analysed compliance with the targets set for the accrual of variable remuneration for the 2024 financial year.

The Board of Directors, at its meeting on January 24, 2024, following a favourable report from the Appointments and Remuneration Committee, had established the following targets for the accrual of the Chief Executive Officer's variable remuneration for the 2024 financial year:

	Weight
1. Margin Contribution Development (M€)	20%
2. Cranes (#)	20%
3. OpEx (M€)	25%
4. Neinor Net Income (M€)	25%
5.ESG	10%

The degree of achievement of the various objetctives linked to the accrual of the CEO's variable remuneration has been as follows: 101% achievement of the net income target, 101% achievement of the contribution margin target, 73% achievement of the target for planned construction launches (cranes), 111% achievement of the OPEX target established by the company and 100% achievement of the company's ESG-related objectives.

The percentages of compliance with the objectives have been reviewed and validated by the GRC department.

Furthermore, additional events have occurred that have been deemed relevant when assessing the company's performance. Thus, within the shareholder remuneration pillar, the company has already distributed €137.5 million and will have completed the distribution of €200 million by March, thereby fully achieving the target set in the Business Plan.

On the other hand, during the 2023 and 2024 financial years, Neinor Homes has signed agreements with strategic partners to co-invest €700 million, already closed, exceeding the initial target of €500 million. These agreements reached with Orion, Axa, Urbanitae, Banco de Santander, Ameris, Octopus, Bain Capital, among others, represent a clear improvement in capital allocation efficiency and a diversification of the business and risk.

As a consequence of the above, the Appointments and Remuneration Committee proposed, and the Board approved, at its meeting of 29 January 2025, a bonus of 500,000 € for the Chief Executive Officer, to be paid in fiscal year 2025.

B.1.2 *Explain any deviations from the established procedure for the application of the remuneration policy that occurred during the financial year.*

There has been no deviation from the established procedure for the application of the remuneration policy.

B.1.3 *Indicate whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.*

There have been no exceptions to the remuneration policy.

B.2 *Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the company's objectives, values and long-term interests, including a reference to the measures that have been taken to ensure that accrued remuneration has taken into account the long-term performance of the company and achieved an appropriate balance between fixed and variable components of remuneration, what measures have been taken in relation to those categories of staff whose professional activities have a material impact on the entity's risk profile, and what measures have been taken to avoid conflicts of interest, if any.*

See section A.1

B.3 *Explain how the remuneration accrued and consolidated in the year complies with the provisions of the current remuneration policy and how it contributes to the long-term and sustainable performance of the company.*

Also report on the relationship between the remuneration obtained by the directors and the results or other short- and long-term performance measures of the company, explaining, where applicable, how variations in the company's performance may have influenced the variation in directors' remuneration, including accrued remuneration for which payment has been deferred, and how these contribute to the company's short- and long-term results.

The remuneration accrued in the year complies with the provisions of the current remuneration policy.

As regards the remuneration of the Chief Executive Officer, who is the only Director contemplating the payment of variable remuneration, the remuneration system envisaged is aligned with the interests of the Company. The annual bonus targets are linked to financial and non-financial performance. Specifically, the individual contract entered into with the Chief Executive Officer stipulates the possibility of receiving an annual variable remuneration in cash, provided that the results significantly exceed the business plan and that the Company's Board of Directors so decides.

The weighted parameters taken into consideration to set the variable remuneration of the Chief Executive Officer are as follows:

	Weight
1. Margin Contribution Development (M€)	20%
2. Cranes (#)	20%
3. OpEx (M€)	25%
4. Net Income (M€)	25%
5. ESG	10%

The Appointments and Remuneration Committee, at its meeting held on 29 January 2025, analysed the level of compliance with the targets set for the accrual of the variable remuneration corresponding to the 2024 financial year, payable in 2025.

The degree of compliance with the various objectives referenced in section B1.1. has been analysed by the Appointments and Remuneration Committee and subsequently reviewed and validated by the GRC department, prior to its approval by the Board of Directors.

B.4 *Report on the result of the advisory vote of the general meeting on the annual report on remuneration for the previous financial year, indicating the number of abstentions and negative, blank and affirmative votes cast:*

	Number	**% of issued**
Votes cast	52,574,622	70.1287 %

	Number	% of issued
Votes against	1,896,728	3.6077 %
Votes for	50,664,092	96.3660 %
Blank votes	0	0.0000 %
Abstentions	13,802	0.0263 %

Observations

The approval percentage of the Annual Remuneration Report at the General Shareholders' Meeting for the 2022 financial year, held in 2023, was 98.6795%, meaning that at the General Shareholders' Meeting held in 2024, the approval percentage remained consistent with that of the previous financial year.

B.5 *Explain how the fixed components accrued and consolidated during the year by the directors in their capacity as such have been determined, their relative proportion for each director and how they have varied from the previous year:*

The fixed remuneration components for the Directors classified as "independent" and "other external" consist of a fixed annual salary and allowances for attendance at Board meetings and its committees. The amounts paid as a fixed components to the Directors have not experienced any increase in the current financial year compared to the previous year (2023), and they remain below the limit established in the Board's Remuneration Policy.

The allowances have been paid based on attendance at meetings of the Board and its committees.

The proportion of the annual fixed remuneration in relation to the total fixed components accrued and consolidated (fixed remuneration + attendance allowances) for Directors Ricardo Martí Fluxá, Anna M. Birulés Bertran, Alfonso Rodés Vilà and Andreas Segal is 72%, 69%, 74% and 73% respectively. No significant differences have occurred compared to the proportion in the previous financial year.

B.6 *Explain how the salaries accrued and consolidated during the year ended for each of the executive directors for the performance of management duties have been determined, and how they have varied with respect to the previous year.*

The remuneration accrued by the Executive Director for the performance of management duties consists of a fixed salary and variable remuneration ("bonus"). The total remuneration (fixed and variable) for the Chief Executive Officer has increased by 12%, rising from 1,895,980 € in the 2023 financial year to 2,125,500 € in the 2024 financial year. This difference is due to the fact that in the current year, the amount accrued for the fulfilment of the MIP 2023-2025 was slightly higher than in the previous year, as the Total Shareholder Return (dividends) in 2024 was greater, which is the indicator used to calculate the amount to be received under this Plan, in addition to the increase in variable remuneration (bonus).

Regarding the proportion of variable remuneration (considering solely the bonus and excluding the amount accrued under the MIP) in relation to fixed remuneration, it has increased from 53% in the 2023 financial year to 75% in the current financial year.

The variable salary has been determined as indicated in section B.3 above.

B.7 *Explain the nature and main features of the variable components of the remuneration systems accrued and vested in the financial year ended. In particular:*

- *Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the directors during the year ended, including information on their scope, date of approval, date of implementation, vesting conditions, if any, vesting periods and term, criteria used to assess performance and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be in a position to adequately measure all stipulated conditions and criteria, detailing the criteria and factors applied in terms of the time required and methods to verify that the performance or other conditions to which the vesting and vesting of each component of variable remuneration was linked have been effectively met.*

- *In the case of stock option plans or other financial instruments, the general features of each plan shall include information on the conditions both for unconditional vesting and for the exercise of such options or financial instruments, including the exercise price and exercise period.*

- *Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that incorporate variable remuneration.*

- *Where applicable, information shall be provided on vesting, vesting or deferral periods for payment of consolidated amounts that have been applied and/or holding/non-disposal periods for shares or other financial instruments, if any.*

As explained in section A.1 above, only the executive director may receive variable remuneration. Variable remuneration consists of the following:

1. **Annual bonus**, which is approved each year by the company's Board of Directors and the details of which can be found in section A.1 above;

2. **Incentive plans**

On the one hand, in the 2024 financial year, the second milestone of the materialisation of the LTIP 2020 Plan (achievement / vesting period 2020 - 2022) has been achieved, resulting in the transfer of the second block of company shares to the Chief Executive Officer as provided in this Plan, which will be further detailed in the subsequent description of each plan.

On the other hand, in the 2024 financial year, the accrual of the second year of the Incentive Plan (MIP 2023-2025) has occurred, which will be materialised through a cash remuneration once the annual accounts for the 2024 financial year have been approved at the upcoming General Shareholders' Meeting to be held in April 2025. The details of the accrued amounts are provided in the description of the Plan.

2.1. Long Term Incentive Plan 2020 ("LTIP 2020").

The LTIP 2020 was approved by the Board of Directors of the Company on 28 February 2020 with the favourable report of the Appointments and Remuneration Committee. The LTIP was included in the Board Remuneration Regulations that were approved by the General Shareholders' Meeting held on April 1, 2020.

Beneficiaries of the 2020 LTIP, in addition to certain members of the Company's senior management, include the Chief Executive Officer, who is an executive director

This is a remuneration system entirely composed of the Company's shares.

The 2020 LTIP consisted of a single three-year cycle, which has now concluded. The performance period began on 1 January 2020 and ended on 31 December 2022. Upon completion of the performance period, the number of shares allocated to each beneficiary has been calculated based on the level of achievement of certain pre-approved metrics, which are detailed below, along with the shares equivalent to dividends paid, both in accordance with the following:

- 50% of the shares earned will be delivered at the end of the three-year vesting period (initial payment), plus a number of shares equal to the dividends that would theoretically have been paid on the 50% of the shares earned from the start of the 2020 LTIP (1 January 2020) until the day of payment, divided by the average share price in the 6-month period prior to the conclusion of the cycle. These shares were delivered in 2023.

- 25% of the shares obtained will be delivered one year after the initial payment, provided that the beneficiary remains in the Company and subject to malus provisions, plus a number of shares equal to the dividends that would theoretically have been paid on such 25% of the shares obtained since the beginning of the 2020 LTIP (1 January 2020) and until the day of payment, divided by the average share price in the 6-month period prior to the end of 2023. These shares were delivered in 2024.

- 25% of the shares obtained will be delivered two years after the initial payment, provided that the beneficiary remains in the Company and subject to malus provisions, plus a number of shares which will be equivalent to the dividends that would theoretically have been paid on such 25% of the shares obtained from the beginning of the 2020 LTIP (1 January 2020) until the day of payment, divided by the average share price in the 6-month period prior to the end of 2024. These shares will be delivered in 2025.

50% of the amount payable was determined on the basis of the Company's EBITDA achievement, measured on a cumulative basis, the target being set at the beginning of the cycle.

The remaining 50% of the amount payable was determined on the basis of total shareholder return, which is calculated as the performance of the share price plus the value of dividends, if applicable, during the period, assuming they are reinvested in Neinor Homes shares on the day they are received.

The maximum amount that the Chief Executive Officer could potentially receive was 2,700,000 euros in the event of full compliance, with the baseline for 100% target achievement being 1,800,000 euros.

The metrics of the Plan were as follows:

50% EBITDA + 50% Total Shareholder Return ("TSR")

EBITDA was measured cumulatively, with the target being set at the beginning of the cycle. It is defined as the sum of the EBITDA targets for the 3 years of the cycle and the achievement is based on the sum of the actual EBITDA for the same period.

TSR was calculated as the share price performance plus the value of dividends, if any, during the period, assuming they are reinvested in the Company's shares on the day they are received.

The initial share price was 11 €. The closing price was calculated as the average of the closing prices in the market sessions during the 6 months prior to the end of the cycle (from 1 July to 31 December 2022, inclusive).

The targets were as follows:

Target		Incentive achieved (% of target shares)
Level	**EBITDA**	
≥ MAXIMUM	≥ 410 M€	150%
TARGET	370 M€	100%
MINIMUM	330 M€	50%
< MINIMUM	< 330 M€	0%

Target		Incentive achieved (% of target shares)
Level	**TSR**	
≥ MAXIMUM	≥ 48.2 %	150%
TARGET	36.80 %	100%
MINIMUM	26 %	50%
< MINIMUM	< 26 %	0%

The Appointments and Remuneration Committee had the power to propose to the Board of Directors the cancellation of the payment of the 2020 LTIP to the executive directors, in full or in part, in the event of certain supervening circumstances (reduction, or malus, and clawback clauses): (a) losses in the Neinor Homes Group (negative EBITDA / Profit after tax) in the year following the end date of the 2020 LTIP attributable to management decisions made in the achievement period of each year; (b) a material restatement of the Group's financial statements, as deemed necessary by the external auditors, except where such restatement was required due to a change in accounting standards; (c) a serious breach of the internal code of conduct by the executive director. The malus clause applied during the deferral period for the 2020 LTIP payment, while the clawback clause applied during the year following the delivery of the shares, in both cases only with respect to the shares delivered in each payment (after taxes).

Based on the results obtained during the accrual period by the company, the accumulated EBITDA exceeded 410 million €, thereby achieving the maximum incentive for the EBITDA objective, which reached 150%.

Regarding the second objective, related to the "TSR", there was no increase in the share price above the initial price considered (11 euros), and therefore no incentive was accrued for this objective, with the achievement level being 0%.

The gross amount in shares collected in 2024 by the CEO, corresponding to the second instalment of 25% of the plan detailed above, amounts to 448,000 euros, corresponding to 150% of the EBITDA target plus a number of shares equivalent to the dividends paid on the 50% of shares obtained since the beginning of the 2020 LTIP (1 January 2020) and until the day of payment, divided by the average share price in the 6-month period prior to the end of the cycle.

After the payment of taxes at the Chief Executive Officer's marginal personal income tax rate, the shares deposited in his securities account total 23,951 shares, which remain as of 31 December 2024, as they are restricted from being traded for a one-year period following their delivery, in accordance with the LTIP regulations.

2.2. <u>Long Term Incentive Plan 'Management Incentive Plan 2023-2025' ("MIP 2023-2025")</u>

In addition to certain members of the Company's senior management, the CEO is a beneficiary of the 2023-2025 MIP.

The 2023-2025 MIP is composed of three one-year cycles. The first cycle of the Plan runs from 1 January 2023 to 31 December 2023. The second Plan cycle runs from 1 January 2024 to 31 December 2024 and the third Plan cycle runs from 1 January 2025 to 31 December 2025. At the end of each achievement period, the incentive payable in cash to each beneficiary will be calculated taking into account the level of achievement of certain pre-approved metrics, in accordance with the following:

The Plan is conceived as a measurable system based on the achievement of the following KPIs: Total Shareholder Return (TSR) as the "target" and Ebitda as the "key":

- Total Shareholder Return includes both ordinary and extraordinary dividends as well as cancellation of treasury shares.

  The Total Shareholder Return (TSR) target is 450 million € over the three years 2023-2025.

  The distribution of the total amount of the Plan in each of the three years will be proportional to the dividend distributed each year.

  As the target TSR for each year is much higher than that distributed so far, it will not be necessary to reach a minimum over the annual TSR target or over the cumulative TSR target for the Plan to vest.

- Ebitda as "key" with the following annual and cumulative targets for each of the 3 years:

Año	EBITDA Objetivo	EBITDA Acumulado
2023	135M€	135M€
2024	100M€	235M€
2025	100M€	335M€

  A threshold of 85% of the cumulative annual target must be reached for the financial entitlement allocated to each year to accrue. Below 85%, no accrual will be made. Above 85%, the accrual will be proportional in the same percentage (e.g.: 90% achievement of Ebitda target, implies 90% accrual). Once 100% of the accumulated Ebitda target has been reached, 100% of the Plan will accrue.

- The actual settlement will take place after the approval of the annual accounts for the year in which each cycle ends and the approval of the Board's proposal for the corresponding dividend for each year (i.e. 2024 for the first cycle, 2025 for the second cycle and 2026 for the last cycle).
- Vesting of the Incentive will not be capped on an annual basis. Vesting in each of the three years will be calculated in proportion to the total dividends distributed in each year over the Total Shareholder Return (TSR) for the 3 years (limited to €17.5 million for the entire 3 vesting years).

- The Board must approve the TSR objective and the EBITDA key for each year of the Plan in accordance with the Strategic Plan 2023-2027, with the achievement of 85% of the annual accumulated EBITDA target as a prerequisite for the accrual of the Incentive.
- In the event of a takeover or change of control of the Company or any of the Group companies, or a material event or transaction, the full amount of the Plan will be settled.
- Any Incentive that may be payable shall be delivered as soon as possible after the transaction giving rise to the early settlement of the Plan.

Clawback: In case of voluntary departure of an executive from the company before the third year (end of the plan), a penalty equivalent to 30% of the amount accrued and received up to that point (net of tax) will be applied.

The total amount of the proposed Plan is 15 million Euros, with a ceiling of 17.5 million Euros to be distributed among the six beneficiaries of the Plan. Of this amount, the CEO's share is 21%. The amount of this Plan represents 3.33% of the TSR target (450 million euros). In this sense, as the ceiling is 17.5 million euros, a TSR of 525 million euros over the 3 years will be considered as the highest achievable target subject to incentive. Above this amount, no additional economic rights will accrue to the beneficiaries of the Plan.

The Appointments and Remuneration Committee shall have the power to propose to the Board of Directors the cancellation of the payment of the MIP 2023-2025 to the Executive Director, in whole or in part, in the event of certain supervening circumstances (reduction and clawback clauses).

On 21 February 2024, the Board, following a favourable report from the Appointments and Remuneration Committee, set a Total Shareholder Return (TSR) target of 200 million euros and an EBITDA target of 100 million euros for the second period corresponding to the 2024 financial year.

Although the company is set to distribute 250 million euros in dividends over a 15-month period, of which 200 million euros are allocated to the 2024 financial year, by 31 December 2024, 137.5 million euros had already been distributed, with the remaining 62.5 million euros planned for distribution in the first quarter of 2025. In this regard, the TSR target has been met at 68.75%, which is the amount accrued for the year. As of 31 December 2024, the company has achieved 100% compliance with the "key" EBITDA target. Based on the above, the Chief Executive Officer has accrued an amount of 962,500 euros, which will be paid once the annual accounts for 2024 have been approved in 2025.

B.8 *Indicate whether certain accrued variable components have been reduced or clawbacked when, in the first case, the payment of unconsolidated amounts has been deferred or, in the second case, consolidated and paid, based on data that have subsequently proved to be manifestly inaccurate. Describe the amounts reduced or refunded by the application of the malus or clawback clauses, why they have been applied and the financial years to which they relate.*

As of the date of this report, the Company is not aware of any event that determines the application of clawback clauses for the reduction or refund of the variable components of remuneration.

B.9 *Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are partially or fully funded by the company, whether internally or externally endowed, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies it covers, the conditions of consolidation of the economic rights in favour of directors and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.*

The Company has not established any long-term savings system.

B.10 *Explain, if applicable, the indemnities or any other type of payment derived from early termination, whether the termination is at the will of the company or of the director, or from the termination of the contract, in the terms provided therein, accrued and/or received by the directors during the financial year ended.*

The Company has not paid any indemnities or other payments arising from the early termination of directors.

B.11 *Indicate whether there have been any significant changes in the contracts of those exercising senior management functions as executive directors and, if so, explain them. Also explain the main terms and conditions of the new contracts signed with executive directors during the year unless they have already been explained in section A.1.*

During the 2024 financial year there were no changes to the contract of the person who performs senior management functions as Executive Director.

The main conditions of the contract signed with Mr. Francisco de Borja García-Egocheaga are detailed in section A.1.

B.12 *Explain any additional remuneration accrued to directors in consideration for services rendered other than those inherent to their position.*

The Company has not paid any additional remuneration to directors in consideration for services rendered other than those inherent to their position.

B.13 *Explain any remuneration derived from the granting of advances, loans and guarantees, with an indication of the interest rate, their essential characteristics and any amounts repaid, as well as the obligations assumed on their behalf by way of guarantee.*

The Company has not granted any advances, loans or guarantees to directors.

B.14 *Give details of the remuneration in kind earned by directors during the year, briefly explaining the nature of the different salary components.*

The directors in their capacity as such have not accrued remuneration in kind. Regarding the Chief Executive Officer, see section B.7.

B.15 *Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third-party entity in which the director provides services when such payments are intended to remunerate the director's services in the company.*

No such remuneration has been paid.

B.16 *Explain and detail the amounts accrued during the year in respect of any other remuneration item other than those listed above, regardless of its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, in particular, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued under "other items" in section C.*

There are no remuneration items other than those indicated above.

C. DETAILS OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period 2024
Ricardo Martí Fluxá	Independent	01/01/2024 to 31/12/2024
Anna M. Birulés Bertran	Independent	01/01/2024 to 31/12/2024
Alfonso Rodés Vilá	Independent	01/01/2024 to 31/12/2024
Andreas Segal	Independent	01/01/2024 to 31/12/2024
Felipe Morenés Botín-Sanz de Sautuola	Proprietary	01/01/2024 to 31/12/2024
Juan José Pepa	Proprietary	01/01/2024 to 31/12/2024
Francisco de Borja García-Egocheaga	Executive	01/01/2024 to 31/12/2024
Van J. Stults	Proprietary	01/01/2024 to 31/12/2024
Aref H. Lahham	Proprietary	01/01/2024 to 31/12/2024

C.1 *Complete the following tables with respect to the individual remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the financial year.*

a) *Remuneration of the company that is the subject of this report:*

i) *Remuneration accrued in cash (in thousands of €)*

Name	Fixed remuneration	Allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total year 2024	Total year 2023
Ricardo Martí Fluxá	121	46.5	0	0	0	0	0	0	167.5	175
Anna M. Birulés Bertran	90	40.5	0	0	0	0	0	0	130.5	138
Alfonso Rodés Vilá	90	31.5	0	0	0	0	0	0	121.5	130
Andreas Segal	90	33	0	0	0	0	0	0	123	123
Felipe Morenés Botín-Sanz de Sautuola*	0	0	0	0	0	0	0	0	0	0
Francisco de Borja García-Egocheaga		0	0	663	0	500	0	962.5	2,125.5	1,896

Juan José Pepa	0	0	0			0	0	0		
Van J. Stults	0	0	0	0	0	0	0	0	0	
Aref H. Lahham	0	0	0	0	0	0	0	0	0	

ii) Movement table of share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	**Name of the Plan**	**Financial instruments at the beginning of the 2024 financial year**		**Financial instruments granted during the 2024 financial year**		**Financial instruments consolidated in the financial year**				**Expired and unexercised instruments**	**Financial instruments at the end of 2024**	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of consolidated equivalent shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
Ricardo Martí Fluxá												
Anna M. Birulés Bertran												
Alfonso Rodés Vilá												
Andreas Segal												
Felipe Morenés Botín-Sanz de Sautuola												
Juan José Pepa												
Francisco de Borja García-Egocheaga	LTIP 2020	88,136*	88,136*	n/a	n/a	44,068	44,068	16.9	744.7	n/a	88,136	88,136
Van J. Stults												
Aref H. Lahham												

(*) It is noted that (i) 68,019 shares correspond to the first and second payments under the LTIP 2020, amounting to 75% of the shares obtained during the vesting period, plus a number of shares equivalent to the dividends that would have been due on these shares from January 1, 2020 until the day of their payment, divided by the average share price in the 6-month period prior to December 31, 2022; (ii) the remaining 25% will be delivered in 2025, in accordance with the terms and conditions of the LTIP 2020, provided that the conditions for their delivery are met; and (iii) since all shares to be delivered under the LTIP 2020 are subject to "malus" clauses (including those corresponding to the aforementioned initial payment), these shares will be subject to consolidation in the following IARs as these clauses cease to apply.

iii) Long-term savings schemes

	Remuneration for consolidation of rights to savings schemes
Ricardo Martí Fluxá	
Anna M. Birulés Bertran	
Alfonso Rodés Vilá	
Andreas Segal	
Felipe Morenés Botín-Sanz de Sautuola	
Juan José Pepa	
Francisco de Borja García-Egocheaga	
Van J. Stults	
Aref H. Lahham	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Financial Year 2024		Financial Year 2024	
	Financial Year 2024	Financial Year 2023	Financial Year 2024	Financial Year 2023	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Ricardo Martí Fluxá								
Anna M. Birulés Bertran								
Alfonso Rodés Vilá								
Andreas Segal								
Felipe Morenés Botín-Sanz de Sautuola								
Juan José Pepa								
Francisco de Borja García-Egocheaga								
Van J. Stults								
Aref H. Lahham								

iv) Details of other items:

Name	Item	Amount of remuneration
Ricardo Martí Fluxá		
Anna M. Birulés Bertran		
Alfonso Rodés Vilá		
Felipe Morenés Botín-Sanz de Sautuola		
Juan José Pepa		
Francisco de Borja García-Egocheaga		
Van J. Stults		
Aref H. Lahham		

b) Remuneration paid to company directors for their membership of the boards of other group companies:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Allowances	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total financial year 2024	Total financial year 2023
Ricardo Martí Fluxá										
Anna M. Birulés Bertran										
Alfonso Rodés Vilá										
Andreas Segal										
Felipe Morenés Botín-Sanz de Sautuola										
Juan José Pepa										
Francisco de Borja García-Egocheaga										
Van J. Stults										
Aref H. Lahham										

ii) Movement table of share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the 2023 financial year		Financial instruments granted during the 2023 financial year		Consolidated financial instruments in the year				Expired and unexercised instruments	Financial instruments at end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ consolidated shares	Consolidated share price	Gross profit of consolidated shares or instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
Ricardo Martí Fluxá	n/a	0	0	0	0	0	0	0	0	0	0	0
Anna M. Birulés Bertran	n/a	0	0	0	0	0	0	0	0	0	0	0
Alfonso Rodés Vilá	n/a	0	0	0	0	0	0	0	0	0	0	0
Andreas Segal	n/a	0	0	0	0	0	0	0	0	0	0	0
Felipe Morenés Botín-Sanz de Sautuola	n/a	0	0	0	0	0	0	0	0	0	0	0
Francisco de Borja García-Egocheaga	n/a	0	0			0	0	0	0	0		
Juan José Pepa	n/a	0	0	0	0	0	0	0	0	0	0	0
Van J. Stults	n/a	0	0	0	0	0	0	0	0	0	0	0
Aref H. Lahham	n/a	0	0	0	0	0	0	0	0	0	0	0

iii) Long-term savings schemes

	Remuneration for consolidation of rights to savings schemes
Ricardo Martí Fluxá	
Anna M. Birulés Bertran	
Alfonso Rodés Vilá	
Andreas Segal	
Felipe Morenés Botín-Sanz de Sautuola	
Juan José Pepa	
Francisco de Borja García-Egocheaga	
Van J. Stults	
Aref H. Lahham	

Name	Company's contribution for the financial year (thousands €)				Amount of accumulated funds (thousands €)			
	Savings schemes with consolidated economic rights		Savings schemes with non-consolidated economic rights		Financial Year 2024		Financial Year 2023	
	Financial Year 2024	Financial Year 2023	Financial Year 2024	Financial Year 2023	Savings schemes with consolidated economic rights	Savings schemes with non-consolidated economic rights	Savings schemes with consolidated economic rights	Savings schemes with non-consolidated economic rights
Ricardo Martí Fluxá								
Anna M. Birulés Bertran								
Alfonso Rodés Vilá								
Andreas Segal								
Felipe Morenés Botín-Sanz de Sautuola								
Juan José Pepa								
Francisco de Borja García-Egocheaga								
Van J. Stults								
Aref H. Lahham								

iv) Detail of other items

	Item	Amount of remuneration
Ricardo Martí Fluxá		
Anna M. Birulés Bertran		
Alfonso Rodés Vilá		
Andreas Segal		
Felipe Morenés Botín-Sanz de Sautuola		
Juan José Pepa		
Francisco de Borja García-Egocheaga		
Van J. Stults		
Aref H. Lahham		

c) Summary of remuneration (in thousands of €):

The summary should include the amounts corresponding to all the remuneration items included in this report that have been accrued by the director, in thousands of euros.

	Remuneration accrued in the Company					Remuneration earned in group companies					
Name	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings schemes	Remuneration for other concepts	Total year 2024 company	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings schemes	Remuneration for other concepts	Total year 2024 group	Total year 2024 company + group
Ricardo Martí Fluxá	167.5				167.5						167.5
Anna M. Birulés Bertran	130.5				130.5						130.5
Alfonso Rodés Vilá	121.5				121.5						121.5
Andreas Segal	123				123						123
Felipe Morenés Botín-Sanz de Sautuola											
Francisco de Borja García-Egocheaga	2,125.5	744.7			2,870.2						2,870.2
Juan José Pepa											
Van J. Stults											
Aref H. Lahham											

C.2 *Indicate the changes over the last five years in the amount and percentage change in the remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.*

Total amounts accrued and % annual change

	Year 2024	**% change 2024/2023**	**Year 2023**	**% variation 2023/2022**	**Year 2022**	**% variation 2022/2021**	**Year 2021**	**% variation 2021/2020**	**Year 2020**
Executive Directors									
Francisco de Borja García-Egocheaga	2,125.5	12%	1,896	34.09 %	1,414	-23.07 %	1,838	39.35 %	1,319
External Directors									
Felipe Morenés Botín-Sanz de Sautuola	-	-	-	-100 %*	6	-95.12 %*	123	1.23 %	121.5
Anna M. Birulés Bertran	130.5	-5.4%	138	11.29 %	124	3.33 %	120	2.56 %	117
Ricardo Martí Fluxà	167.5	-4.28%	175	5.42 %	166	8.85 %	152.5	2.01 %	149.5
Alfonso Rodés Vila	121.5	-6.5%	130	7.44 %	121	2.11 %	118.5	3.95 %	114
Juan José Pepa									
Andreas Segal	123	0%	123	2.93 %	119.5	9.13 %	109.5	2.82 %	106.5
Van J. Stults									
Aref H. Lahham									
Consolidated results of the company	62,468	-31.62%	91,363	-5.4 %	96,572	-6.11 %	102,855	46.69 %	70,116
Average employee remuneration	55,521	1%	54,998	5.7 %	51,995	-37.58 %**	83,299	30.91 %**	63.632

(*) The difference between 2024/2023/2022 and 2022/2021 is due to the fact that Mr. Morenés was reclassified from Independent Director to Proprietary Director on 26 January 2022, the date on which the Appointments and Remuneration Committee approved his change of status and which was subsequently ratified by the Board on the basis of article 529 duodecies of the Capital Companies Act. For this reason, in 2022 Mr. Morenés only received the fixed remuneration corresponding to the period during which he was an Independent Director, given that, as explained above, Proprietary and Executive Directors do not receive remuneration for their status as such.

(**) The difference between 2020 and 2021 is mainly due to the incorporation of Quabit employees into the Group with higher average remuneration, the bonus for senior management for their performance and response to the pandemic and the bonus for the integration of Quabit. In the following two years, although there have been generalised increases of between 2% and 6% per year, there have been voluntary departures, adjustments in the workforce and the discontinuation of the servicing line and retirement departures of very experienced employees with salaries above the average salary of the employees.

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding directors' remuneration that has not been included in the other sections of this report, but which it is necessary to include in order to provide more complete and reasoned information on the company's remuneration structure and practices in relation to its directors, briefly describe them.

This Annual Remuneration Report was approved by the Board of Directors of the company at its meeting held on 25 February 2025.

Indicate whether any directors voted against or abstained from voting on the approval of this report.

Yes [ ] No [X]

Name or company name of the member of the Board of Directors who did not vote in favour of the approval of this report	Reasons (vote against, abstention, non-attendance)	Explain the reasons

Neinor HOMES

STATEMENT OF NON-FINANCIAL INFORMATION

SUSTAINABILITY REPORT

2024

Thinking about people and our environment.

CONTENTS

01

EXECUTIVE **SUMMARY**

WHO ARE WE?

Neinor Homes, the real estate platform with the ambition to transform the sector.

STRATEGIC PILLARS

Environmental

We build homes for tomorrow

Because the homes of today will determine our homes of the future, we want to provide residential solutions that respect the environment, whose consumption of resources is only what is essential and which are energy efficient in their development. **Homes that our children and future generations will be proud of.**

Social

Our people and communities

In addition to building the homes where people will live their lives, we are also **committed to the social environment and people's safety, health and well-being**. Our aim is to increase the supply of accessible, quality residential housing for all segments of the population.

Governance

The value of doing the right things, the right way

We firmly believe that how we do things determines who we are and who we want to be. That is why we live by ethical standards of integrity and transparency, so that **our words are consistent with our actions.**

PURPOSE

The purpose of Neinor Homes is to provide and facilitate homes for our clients, ensuring the well-being of people, communities and the environment.

MISSION

Our mission as a company **is to develop business models and formulas for the residential sector that are increasingly sustainable**, accessible and at the same time profitable, in order to secure the future of the company and help to alleviate the housing shortage in Spain's main cities.

VALUES

People: We evolve with people in mind, to provide homes that are more sustainable, spacious, high quality and environmentally responsible.

Sustainability: Committed to the future we will leave behind for the next generations, we measure the impact of everything we do. We have a responsibility to conduct our business in an environmentally friendly way.

Employees and talent: People are fundamental to our development as a company. We believe in equal opportunities, with our Equality Plan, as well as in the development of talent. and work-life balance

Benchmarks: We want to be able to inspire all our stakeholders by our example and become a benchmark within and outside the sector.

Responsibility: We are committed to society so that housing is at the heart of a fair and sustainable social growth. We contribute to the regeneration of urban environments, to the development of the social fabric and the promotion of employment.

Principles: Transparency, Good Governance and Social Commitment guide all our business decisions.

HOW DO WE CREATE VALUE?

We create value through a responsible business model.

EMPLOYMENT GENERATION

591 **direct** jobs[1]

3.307 **indirect** jobs[2]

ECONOMIC VALUE GENERATED
521 million euros

EBITDA
102 million euros

More than 5,000 homes in various **phases of production**:
1,948 homes in the launch phase
and 3,100 in the execution phase for development.

[1]Considers the entire perimeter of the Neinor Homes Group at 31 December 2024, including the employees of Renta Garantizada and Quabir Construcción.

[2]According to the Association of Real Estate Developers of Madrid (ASPRIMA), 2.4indirect jobs are generated for each dwelling.

We take into account for this calculation finished homes.

ELEGIDO SERVICIO DE ATENCIÓN AL CLIENTE DEL AÑO

"BEST CUSTOMER SERVICE 2025"

INDUSTRIALISED MODEL

Promotion of first and second homes, construction, rental management of own and third-party homes.

Systematisation | Standardisation | Rigour | Environment | Innovation | Technology

Management of **of the residential development process** of the residential development process.

1,50 million m2 land bank

71 developments and **12,135** homes for **sale**

1,975 homes delivered in 2024–

QUALITY AND ENVIRONMENTAL MANAGEMENT

Environment, Quality and Innovation Policy

ISO Certificate **14001** of Environmental Management

ISO Certificate **9001** of Quality Management

216,025 **KWh** consumed

1,564 kg **of paper**

1,155 m³ **of water**

12.19% energy

11% water

75% waste destruction (paper, toner, metal, batteries, etc)

Consumption **reduction**

CORPORATE SOCIAL RESPONSIBILITY AS AN INTERNAL POLICY FRAMEWORK

SUSTAINABILITY POLICY

Objectives

- Lead the **transformation of the sector**
- Define **the commitment to good governance, environment and society**
- Provide a basis for **integrating sustainability into business strategy**
- Deliver a quality product
- Care for employees

2022 - 2025 Sustainability Plan

Environmental (A)
- Sustainability and eco-efficiency of housing
- Consideration of climate change
- Protection and improvement of the environment
- Circular economy

Social (S)
- Access to housing
- People's safety, health and well-being
- Customer relations and protection
- Commitment to the team and to society

Governance (G)
- Ethics, integrity and transparency
- Good corporate governance practices
- Responsible supply chain
- Sustainable financing
- Innovation

WHAT IS OUR GOVERNANCE MODEL BASED ON?

Our business is based on a model of responsible governance

GENERAL SHAREHOLDERS' MEETING OF
- In 2024: **quorum 70.13%** of share capital

BOARD OF DIRECTORS
- **15 meetings** in 2024
- **9 directors** in total
  - 1 executive
  - 4 proprietary
  - 4 independent

Audit and Control Committee
- **8 meetings**
- **5 members**
- **40%** proprietary directors
- **60%** independent directors

Appointments and Remuneration Committee
- **4 meetings**
- **5 members**
- **40%** proprietary directors
- **60%** independent directors

Land Investment Committee
- **4 meetings**
- **7 members**
- **14%** executive directors
- **57%** proprietary directors
- **29%** independent directors

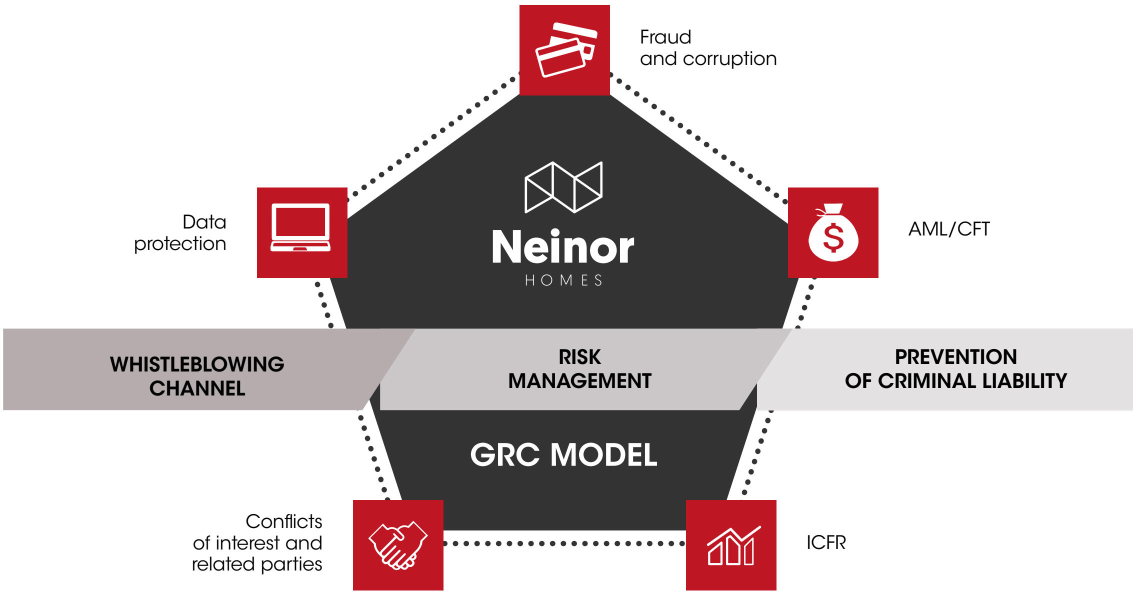
A COMPREHENSIVE MODEL OF CONTROL, COMPLIANCE AND ASSURANCE

GOVERNANCE, RISK AND COMPLIANCE MODEL (GRC)

Based on best practices of companies in the industry and other sectors

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE GOVERNANCE



Whistleblowing Channel

- Code of Ethics
- Whistleblowing Channel
- Ethical channel management procedure
- Code of Conduct for third parties
- Code of best practices in the real estate mediation services
- Human Rights Policy

Risk Management Model

- Integrated Internal Control System
- Corporate Risk Map
- Analysis of ESG risk and opportunities

Prevention of criminal liability

- Criminal Risk Policy
- Criminal Risk Prevention Manual
- Internal rules of conduct
- General economic-financial and corporate communication policy
- Internal manual for the disclosure of privileged and other relevant information

Zero tolerance for corruption

- Anti-Corruption, Fraud and Bribery Policy
- Instructions on gifts, invitations and donations
- Controls in place

Conflict of Interest Management

- Conflict of interest and related party transactions policy
- Conflicts of interest in Joint Venture operations

Data protection, confidentiality and information security

- Privacy Policy on Personal Data Protection
- Procedure for the enforcement of the rights of data subjects

System of internal control over financial and non-financial reporting

Internal control and risk management systems in relation to the financial reporting process (ICFR) and non-financial reporting (SICNFR)

ISO 27001
Information Security
Certification

ISO 9001
Quality Management
Certification

ISO 14001
Environmental Management
Certification

UNE 166002
R&D&I Management
Certification

WHAT ADDED VALUE DO WE OFFER OUR CUSTOMERS?

We offer a personalised service tailored to customer needs

BETTER KNOWLEDGE OF OUR CUSTOMERS

CRM and Customer Centric tools implemented

NEINOR EXPERIENCE

Exclusive **customer service Neinor Experience Manager** in each development
Neinor Responds Channel

24,452 customers	**44,687** sessions on the web	**1,026** APP downloads Neinor Experience	**43,593** contacts	**88,961** incidents through all its channels	**20** hours average response time

WE BUILD HOMES WITH ADDED VALUE

PAYMENT PROTECTION INSURANCE: FHPY COVERLIVING

BREEAM STAMP

HOMES CUSTOMIZATION

QUALITY HOUSING

- **Research + Listening + Development** Process
- Standardisation **White Book**
- **Climate Risks** study
- **Personalisation** alternatives
- Sustainability: **BREEAM® certified**

INNOVATION AS A DRIVER OF TRANSFORMATION

NEINOR NEXT

- Collaboration with start-ups to test their products/services and see if they generate added value for Neinor Homess

PROCESS INNOVATION

- Analysis of the integration and optimisation of the construction white book in the adaptation to the technical code

COOPERATIVE INNOVATION

- Participation in forums and working groups: Building Cluster, PTEC (Spanish Construction Technology Platform) and Cemex

DIGITAL TRANSFORMATION

- Digital Transformation Plan
- Digital initiatives that add value

In 2024, **more than 500 customers havé been insured by Neinor Homes** so they are able to pay for their new homes

82 promotions launched to origin with certification BREEAM®

Cooperation with start-ups to test their products/services

Participation in **forums and working groups** in the real estate and construction sector

WHO ARE WE AT NEINOR HOMES?

We have a committed **team**

Neinor HOMES

People management
Strategic Human Resources Plan

Professional and personal development
Internal Promotion
Welcome Pack
Attractive and flexible remuneration

Well-being and work-life balance
Work-life Balance Plan
Work-life balance measures

Equality and diversity
Diversity and non-discrimination policy
Equality Plan
Code of Ethics
Code of Conduct for third parties
Human Rights Policy

Training
Training platform
55,10 h. of training per employee

Health and safety
Occupational Risk Prevention (ORP) audits
Life insurance: inclusion of cover for Absolute Permanent Disability due to illness in common for all the employees
Work site safety
Health and safety policy

Communication, satisfaction and initiatives to engage employees
Social initiatives
Regular communications from Management
Team building activities

356[1] employees
46.03 average age

44.88% women
51.12% men

4.13% absenteeism rate

118 surrogates
11 hirings
2 promoted employees

[1] Analysis performed for employees of Neinor Homes parent company, excluding RG and QC in the process of integrating the HR control areas.

HOW DO WE WORK WITH OUR SUPPLIERS?

We are strategic partners of our suppliers

Responsible purchasing management

- Purchasing management procedure
- Mandatory clauses
- Tendering procedure for construction companies

Approval / Evaluation of suppliers

- Demanding accreditation and selection process
- Annual re-approval of construction companies
- Evaluation of suppliers and subcontractors

FRAMEWORK AGREEMENTS

with manufacturers to achieve a mutually beneficial relationship and to be strategic partners

Safety and awareness requirements

- Good practice manual
- Safety coordinator
- Health and safety audits
- Training days

Communication, satisfaction and cooperation

- Bilateral communication
- App. to evaluate the perception of Neinor Homes
- Cooperative initiatives

244 suppliers in 2024

1.358 subcontractor evaluations

165 local suppliers in 2024 (68% of the total)

64 health and safety audits

237 million euros of expenditure on purchases

92% comply with the Good Practice Manual

40 approved suppliers, **14** Architecture studios and **4** Engineering in 2024

18,52 accident frequency rate

02

LETTER FROM THE **CEO**

We are a company that has been **able to achieve its financial targets** without compromising its **sustainability**.

Dear Shareholder,

It is my pleasure to present the Neinor Homes 2024 Sustainability Report, a document through which we aim to share with you all the activity carried out by the company in recent years relating to ESG criteria, focussing fully on our firm commitment to the environment, people and their wellbeing.

We have been working with this premise since our beginnings in 2015, leading the transformation of the country's residential development business through modernization of the sector, improved management and good corporate governance, and always with an eye on a more sustainable future.

Aware of our strengths and weaknesses, we are moving towards a transparent and real understanding of ESG.

In environmental matters, the real estate sector has two main challenges or fields of action: the reduction of emissions and the use of materials during the housing construction process, and the adoption of measures to make new buildings ever more energy efficient, both in terms of the energy input required per square meter and the use of renewable energies or those with lower greenhouse gas emissions per kWh consumed.

For this reason, we are prioritising our commitments and actions to comply with European taxonomy and our aim is always to be more demanding with ourselves than that required by the guidelines set by current legislation and market standards.

In relation to the social aspect, the main national challenge we face is the housing deficit, now popularly known as the 'housing problem'. Our main objective in this regard is, for this reason, to make an influential contribution to increasing the supply of residential product in Spain, without forgetting the development of more affordable housing close to the large centres of demand, where access to housing has become a serious problem, especially among young people.

Among other aspects of the social dimension that we consider very important in our Strategic Sustainability Plan, I would like to highlight workplace prevention and safety, taking the utmost care of both our own employees and of all those who are part of our value chain. Similarly, we are especially concerned about the well-being of our workforce, our customers' level of satisfaction, and with constantly improving the measurement of the social impact that our activity has on society and the environment.

BORJA GARCÍA-EGOTXEAGA
CEO

Moreover, it is important to highlight the evolution and growth of the company, maximized and diversified with the creation of new lines of business, key co-investment agreements with top-level companies and investors, and the acquisition of ownership and/or operational management of other companies in the sector, an activity that continues to contribute to employment and national and local wealth.

I cannot finish without mentioning a concept that transcends all ESG areas, Good Governance. This is fundamental for Neinor Homes because, since the company's inception, we have prioritized ethics, compliance and transparency throughout the Group, based on very simple premises that can be summarized as: trying to do the right things correctly and being consistent in our actions with what we have said or published.

Throughout this report you will see in more detail what I have just described, showing all our performance, challenges, achievements and also areas where we can improve. I hope you find it interesting and, of course, we remain at your disposal if you have any recommendations or advice so that, together, we can make today's neighbourhood, city, country and world a little better than yesterday's.

Yours sincerely,

Borja García-Egotxeaga

03

FROM CSR TO SUSTAINABILITY. POLICY AND STRATEGIC PLAN

Since its inception, Neinor Homes has maintained a strong commitment to its social and environmental impact, publishing and auditing its Corporate Social Responsibility (CSR) / Sustainability Report since 2016, when it was not yet mandatory to do so.

The development and implementation of Neinor Homes' CSR Policy - which is carried out through the Governance, Risk and Compliance (GRC), Internal Audit and ESG departments, in collaboration with other departments such as the Operations area, which is responsible for the "environmental" aspect, HR, Communication and Marketing - **aims to encourage its employees to change their behaviour in a more supportive and responsible way, as a way** of driving business growth.

We listen to everyone who wants to contribute something to us:

We believe that the collaboration of all our employees and collaborators is key to the development of the ESG strategy of our 2022-2025 Sustainability Plan. Through surveys and emails received in our Social Action mailbox (accion.social@neinorhomes.com) we learn about their concerns, suggestions and preferences in terms of sustainability and social collaboration, which allows us to focus our actions on their opinions and the initiatives they recommend, thus achieving greater staff involvement.

Moreover, as part of the process of analysing the company's dual materiality, where a large number of ESG risks and opportunities have been identified, a questionnaire has been implemented, where all the company's stakeholders have provided us with their vision and the aspects they considered key or that we should focus on in order to have an extraordinary performance in terms of sustainability.

Financial year 2021 was a decisive year in the transformation of Neinor Homes' Corporate Social Responsibility, as the company's 2017 Corporate Social Responsibility Master Plan evolved giving rise to the **2022 - 2025 Sustainability Plan**, which was approved in September 2021 by the Board of Directors.

The Sustainability Plan was developed with the aim of transforming the real estate development model towards a more sustainable one, and was focused on creating value for the environment, society and people: minimising the impact of the company's activity on the environment, contributing to the development of the social and business fabric, as well as reducing the difficulties of access to housing for many groups.

For this reason, the Sustainability Plan is articulated around our **three strategic pillars**: Environmental, Social and Governance (ESG).

Environmental	Social	Governance
We build homes for tomorrow Because the housing of todaywill determine our home of tomorrow, we want to provide society with **residential solutions that respect the environment,** that use only the resources necessary, and that are energy-efficient in their development. **Homes**, in short, **that our children and future generations will be proud of**.	**Our people and communities** In Neinor homes we don't just build homes. We **build cities**, committing ourselves to our social environment and to people's health, safety and wellbeing. The aim is also to **provide quality residential homes to all segments of the population.**	**Our way of doing things** We firmly believe that **how we do things determines who we are and who we want to be.** That's why we hold ourselves and our entire supply chain to **ethical standards of integrity and transparency**, both for us and for our entire supply chain.

Our Sustainability Plan is made up of 16 areas of activity, within which 30 objectives and their corresponding 95 courses of action have been established, assigning specific deadlines and departments responsible for their development and fulfilment.

We build homes for tomorrow

E

ENVIRONMENTAL

- **E.1.** Resilient and Sustainable Homes
- **E.2.** Taking into account climate change. LCA/Carbon footprint
- **E.3.** Ecoefficient homes/resource use
- **E.4.** Protection and improvement of the environment
- **E.5.** Circular Economy

Our People and Communities

S

SOCIAL

- **S.1.** Homes for everyone
- **S.2.** People's health, safety and wellbeing
- **S.3.** Customer attention and care
- **S.4.** Commitment to the team
- **S.5.** Commitment to Society, the Community and the City

Our way of doing things

G

GOVERNANCE

- **G.1.** Best practice in Corporate Governance
- **G.2.** Ethics and Integrity
- **G.3.** Transparency and Relations
- **G.4.** Responsible sourcing chain
- **G.5.** Digital Culture/Innovation
- **G.6.** Sustainable Financing

Furthermore, as a sign of our commitment to the United Nations 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs), we have used these as a **reference** to define the courses of action of our **Sustainability Plan**.

- The **Environmental (E**) pillar focuses on building sustainable and resilient homes, with the focus that our with the focus that our developments are aligned with the European Taxonomy, one of the best possible indicators that a home is sustainable and efficient, whose consumption of energy resources is very low,on reducing and offsetting the company's emissions, on promoting sustainable mobility in our developments, on protecting the biodiversity of the area, on supporting urban regeneration and on reducing and recovering construction waste.
- The **Social (S)** pillar focuses on improving access to housing, improving the safety, health and well-being of employees, suppliers/contractors and customers, on measuring the impact that our promotional activity has on society and in the municipalities in which we operate, actively listening to customers to offer them personalised service and products that bring them well-being, attracting and retaining talented employees, placing great importance on issues such as equality, diversity and non-discrimination, and developing and promoting social action and community engagement and human rights initiatives.
- The **Governance (G)** pillar focuses on aligning with best governance standards, maintaining and strengthening the ESG responsibilities of governance bodies, ensuring the company's ethics and integrity, engaging with stakeholders and communicating detailed ESG progress to stakeholders, and incorporating ESG criteria into supplier contracts and evaluations.

In this way, the Sustainability Plan covers all the points reflected in the previous Master Plan, but goes a step further, as it is a Plan that has evolved and broadened its scope, making its objectives more global and giving them a message and meaning, such as the commitment to sustainability at a global level and the company's involvement with an organisation such as the United Nations.

Our Sustainability Strategic Plan can be consulted at:
https://www.neinorhomes.com/en/corporate/esg/sustainability/sustainability-plan/

REVIEW AND UPDATE OF THE 2022-2025 SUSTAINABILITY PLAN

At the end of fiscal year 2023, once the company reached the middle of the period in which the plan was in effect (4 years), following our transparency policy, the lines of action that made up the Sustainability Plan and the degree of compliance with them, with the objective of determining if they were maintained until 2025, if they were aligned with the company's strategy or if they were considered concluded because they were included in some standard, not being a priority in the company's strategy. Neinor Homes or are they specific lines of action (one-off) that had already been achieved. Additionally, the need to include new lines of action was algo analyzed.

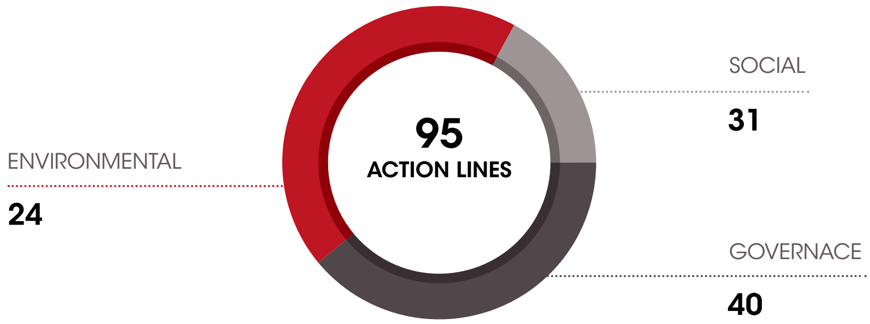
Over the course of 2024, both these lines of action and the main objectives were reviewed again through the Double Materiality Analysis, carried out with all the company's stakeholders and its entire value chain.

The aim of this review and analysis has been to reorient the company's strategy, to adapt it to the expectations of our environment, to reality and to regulations and, above all, to generate a real positive impact on people and the environment, avoiding greenwashing.

Evolution of the Sustainability Plan

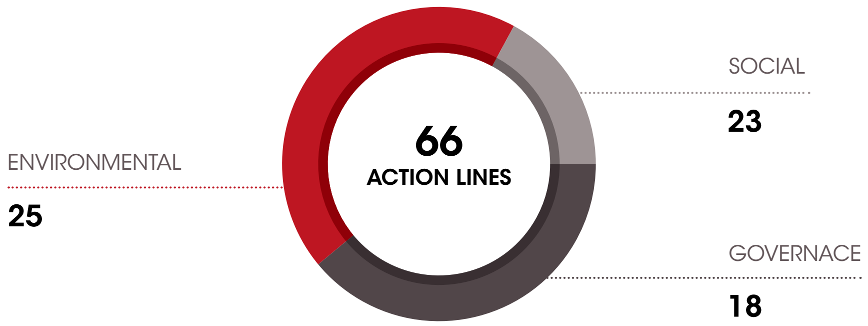
The initial Plan had 95 courses of action which, following the revision and updating of the Plan, have been reduced to 66 courses of action. In this first period, 37 courses of action have been finalised and it has been considered appropriate to add 8 new courses of action.

INITIAL PLAN



EVOLUTION 2022 - 2025 SUSTAINATIBILITY PLAN

REVISED PLAN



Of the 95 courses of action set out in the Plan, 16 (17%) have been adjusted to the company's strategy1, 42 (44%) are maintained until the Plan's end date in 2025 and, as mentioned above, 37 (39%) have been finalised[2] *(see Annex I)*.

Compliance with the Sustainability Plan

With regard to compliance with the Plan up to the date of its first review, December 2023, below we detail its compliance when the period was halfway through:

DIMENSIÓN	Action lines	Fulfillment	Not fulfillment
Environmental	24	20	4
Social	31	18	13
Governance	40	30	10
Total	**95**	**68**	**27**
Governance		*72%*	*28%*

Regarding compliance with the new lines of action / objectives of the Plan once it has been revised and updated with the Strategy and the various stakeholder groups:

As of December 31, 2024, once the plan has been updated and revised, of the 66 lines of action, 56 have been completed or are in the process of being completed, representing an 85% degree of compliance.

The company expects to complete the 10 activities that are pending during the 2025 financial year, the last year of the Plan.

[1] The level of requirements has been raised, the range of compliance has been widened, more alternatives for compliance have become available and/or have been adjusted to the reality of the company and its real needs.

[2] They are already included in some regulations that imply their mandatory compliance, they are not a priority in Neinor Homes' strategy or they are not material and/or they are specific actions that have been complied with and that must be maintained over time.

At the halfway point towards the objectives we had set ourselves, the **results in terms of compliance and monitoring of the courses of action are quite satisfactory.** Nevertheless, we will continue to work until the finalisation of the updated Plan in order to meet 100% of the objectives.

Validation of the Neinor Homes Group's ESG by rating agencies and other indices and ESG associations

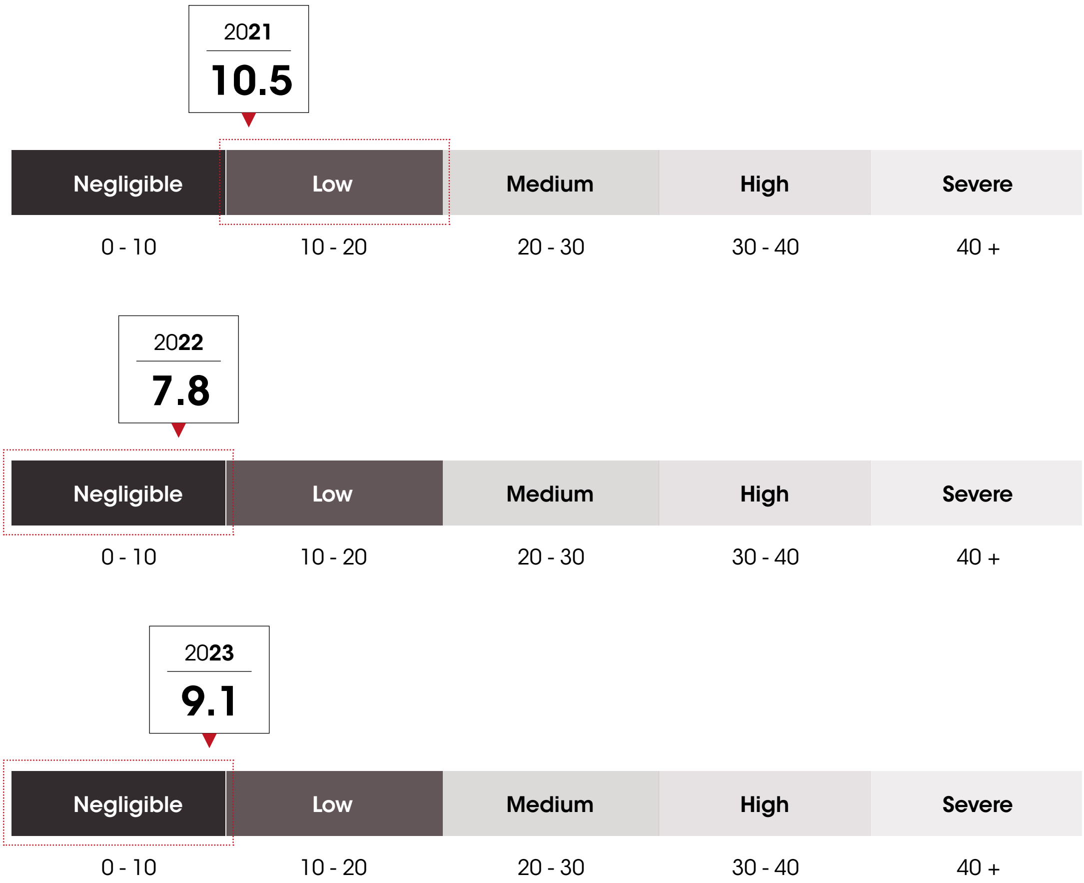
Based on the available public information, the Neinor Homes group is subject to analysis and evaluation by the various ESG rating agencies, which offer their ratings to the market and investors publicly or for a fee (Sustainalytics, MSCI, S&P CSA, CDP, etc.).

Normally, in the evaluation processes with these agencies there are two options. The first is that they carry out the evaluation autonomously based on the company's public information; the second is that upon payment or provision of fees/services to the rating agency, the company can interact with the agency's team of analysts and there can be an initial private evaluation, with an option to improve the rating, through appropriate explanations or the provision of additional non-public information. This second option is very often supported by consultants who specialize in such assessments/agencies and usually yields significantly better results in the assessment of the companies.

In 2021, in order to assess Neinor Homes' ESG performance, it was decided to work on the evaluation with Sustainalytics, carrying out an analysis interacting with their team of analysts in order to receive feedback that would allow the company to continue to improve.

This evaluation process with intermediate feedback from the agency was carried out over three years, 2021, 2022, 2023, and the company was recognized in all three years as the best listed residential developer in the world in ESG criteria by this prestigious analyst.

ESG RISK RATING



In the 2024 financial year, the company decided to discontinue reporting (with an interaction and feedback process) to the various analysts, leaving it up to them to capture the company's public information as they saw fit. The reasons for this decision were as follows:

1. With the implementation of the CSRD report, on which the company had been working, it had prioritized focusing more efforts and time on making progress in this area than on reporting what it was doing.

2. Irrespective of the fact that the company had at some point responded to other analysts such as S&P's CSA or MSCI, it was difficult to respond to all the different relevant market analysts (about 6), given that each analyst weighs and values the various sub-topics of the ESG parameters differently. There is no homogeneity of valuation criteria, although there is greater coherence among credit risk analysts, for example.

3. The different methodologies of these analysts sometimes have disparate criteria with respect to the company in terms of best practices, stakeholder expectations, regulations, etc. To give several examples:

- An external building environmental seal of approval is valued in the same way as an internal one created by the company itself.
- It is penalized if not all the directors have shares in the company (with the conflicts of interest risks that this might entail) and this is solved if all the directors buy even just one share.
- Important advances and work in ESG matters, such as reporting and improving compliance with the European sustainability taxonomy or the annual study of the social impact of all our developments, are not valued.
- Measuring scope 1 and 2 emissions is valued in the same way as reducing scope 3, which is responsible for 99% of the emissions of a residential developer.
- Having a specific policy is scored positively, without analysis of the content and detail of that policy, which leads us to companies that have 7 or 8 policies that are rated very positively by the analyst and their content does not exceed two pages; it is clear that this has been done exclusively to improve the analysts' score.

4. A refusal on the part of institutional investors, funds and credit institutions to recognize analysts' ratings when carrying out corporate purchase and sale operations and/or financing asset portfolios, focusing instead on compliance with energy certificates, emissions and, above all, compliance/alignment with European taxonomy.

Although the company has discontinued periodic reporting, it may occasionally undergo a specific evaluation with one of the analysts, in order to keep up with ESG rating practices and see if its practices and objectives are aligned with those of these analysts; however, at the moment, this is not a priority issue.

As of 31 December 2024, the company maintained ESG ratings from various analysts that were significantly above the real estate sector average.

In 2024 Neinor Homes achieved the category of excellence in ESG performance from **EUPD Research Sustainable Management GmbH**; our organization has been selected as a leading company, which honours those organizations that have been identified as leaders within their country based on classification by industry and size.

In the 2024 financial year, the company that regulates the stock market index in Spain *(BME, Bolsas y Mercados Españoles)* included Neinor Homes in the **IBEX ESG index, an index that includes the 49 most important companies in the continuous market in ESG.** This index measures the performance of companies in environmental, social and governance aspects.

In addition, in this financial year Neinor Homes received the **ESG Transparency Award**: Recognition of **Neinor Homes as winner** of the ESG Transparency Award at the **2024 European Sustainability Week,** which took place from December 10 to 12 at the historic Steigenberger Grandhotel & Spa, a venue that has hosted numerous events of political and economic importance, and where it provided a unique platform for the exchange and presentation of outstanding ESG strategies and in which **Neinor Homes was honoured as a role model within its sector.**

This **ESG Transparency Award seal** not only serves as the symbol of an invaluable personal commitment, but also as a mark of trust for the company in the eyes of investors, partners and customers, especially in times of political uncertainty. It supports internal and external communications across all channels and reinforces the company's position as a leader in the sustainability field.

04

TRANSFORMATION OF THE SECTOR

We are a **real estate platform** in which, through the application of best practices in the various areas of our activity, we seek to **accompany our customers** in a **close and responsible way** in one of the most important decisions of their lives, the **choice and purchase/rental of their home**.

4.1. OUR IDENTITY

We are Neinor Homes, the **first housing platform in Spain to cover the entire value chain of the developer and rental business**. Through our various business lines, we **contribute to the essential social good of housing and generate value** simultaneously and sustainably for all the company's stakeholders.

We work to adapt to a changing reality and respond to new needs and ways of living, and we **are very committed to our social impact**, aware that our activity responds to a vital need around which people's lives revolve. For this reason, we contribute to facilitating access to housing while developing projects that meet high standards of design, quality, sustainability and innovation.

We contribute to the **regeneration of urban spaces** and are committed to **co-investment** as a fundamental part of our growth. We are a **benchmark in the sector**, always with the aim of offering maximum safety and profitability to all our stakeholders.

Land bank for more than **12,000** dwellings

More than **16,000** homes delivered

5,000 third-party **housing units** managed.

More than **4.500** Million euros in come*

* Data at company origin.

4.2. A NEW TRAJECTORY, A LONG JOURNEY

With more than 30 years of experience in the property development sector, in May 2015 the commitment of new investors allowed Neinor Homes to establish itself as a **leading national real estate developer**.

Pioneers in implementing a new, more innovative management style, based on professionalisation, procedural culture and digitalisation, together with the most renowned architects, **we were able to embark on a path that many other developers would later follow**.

In March 2017, **the company carried out the first IPO in the residential development sector in Spain** since the financial crisis of 2008, **becoming a benchmark and leading the change** in a sector that needed to evolve and adapt to the new housing needs and ways of living.

Since then, we have been working to place **sustainable development and value to our stakeholders at the heart of our activity,** promoting environmentally friendly construction, contributing to the progress of the social and business fabric of the areas in which we are present and facilitating access to housing in large population centres where there is a supply shortage.

Neinor has become the benchmark for real estate platforms.

In these years, **Neinor Homes has strengthened and diversified**, with the commitment in 2018 to the rental business, pioneering Build to Rent; the integration in 2020 of companies such as Renta Garantizada, specialising in rental management; and the merger with Quabit Inmobiliaria in 2021, positioning it as one of the leading construction companies in Spain. In 2024 we continued to take on new challenges: on this occasion we acquired 10% of the property development company Promotora Habitat, taking on 100% of its workforce. As a result, the workforce has increased 7.4 times in its evolution as a property developer, from 80 to 591 employees. We are also forerunners in the commitment to coinvestment in residential development as a fundamental part of the company's growth strategy.

And all this, with a **responsible financial profile** with the objective of maintaining an LTV of less than 25%, which has made us an example to follow.

All these milestones have allowed us to **evolve, diversify and adapt to a constantly changing environment,** being able to cover the "Living" (shared, non-traditional) sector, covering the entire value chain, both the developer and rental business, as well as new real estate trends, such as coliving, senior living or microliving, always with the aim of offering maximum safety and profitability to all our stakeholders.

We are **highly committed to our social impact and to facilitating access to housing**, which is why we are also developing more affordable housing, for purchase or rent, in the Alovera area and throughout the metropolitan area of Barcelona, under the first publicprivate partnership agreement with Barcelona City Council for the development of affordable rental housing. And always with **projects that meet high standards of design, quality, sustainability and innovation**.

In 2023, with the aim of continuing to grow, Neinor approved a new business plan for the 2023-27 period with two main pillars. On the one hand, an ambitious shareholder remuneration plan with the objective of distributing €600 million and, on the other, maintaining its capital-efficient growth trajectory with an investment of €1 billion, half of which will come from new investment partners through joint ventures.

4.3. OUR PURPOSE AND VALUES

The purpose of Neinor Homes is to provide and facilitate a home for our customers which ensures the well-being of our customers, people, communities and the environment.

Our mission as a company is to develop business models and formulas for a residential sector that are ever more sustainable, accessible and at the same time profitable, which will guarantee the future of the company and help to alleviate the lack of housing in the main cities of Spain.

The **commitment to sustainability** at Neinor Homes is real and is not about pretending or greenwashing. Since its inception, Neinor Homes has driven the **transformation of real estate development to a more sustainable model,** focused on **creating value for the environment, society and people. Our values:**

PEOPLE

We evolve with people in mind, to provide them with **more sustainable, spacious, quality** and environmentally **responsible housing.**

SUSTAINABILITY

Committed to the **future we leave behind for future generations**, we measure the impact of everything we do. We have a responsibility to conduct our business in an environmentally respectful manner.

EMPLOYEES AND TALENT

People are fundamental to our development as a company. We believe in **equal opportunities,** with our Equality Plan, as well as in **talent development and** work-life **balance**.

BENCHMARK

We want to be able to **inspire** all our stakeholders **by our example and become a benchmark in the industry and beyond**.

RESPONSIBILITY

We engage with society to put housing at the heart **of fair and sustainable social growth**. We contribute to the **regeneration of urban environments,** the progress of the social fabric and the promotion of employment.

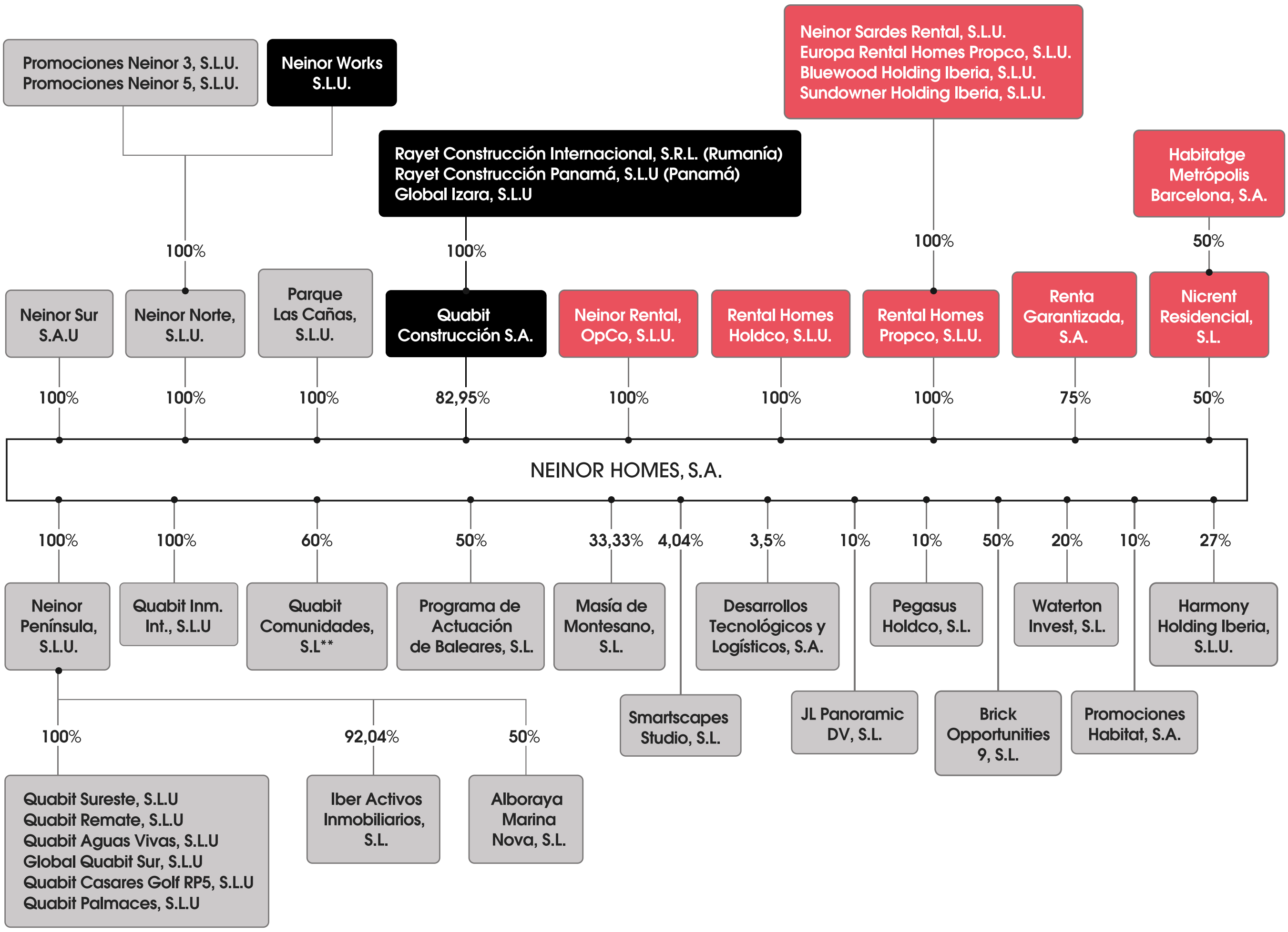
PRINCIPLES

Transparency, good governance and social commitment guide all our bussiness decisions.

4.4. OWNERSHIP STRUCTURE

Neinor Homes has its main base in the **Basque Country**, from where it has extended its activity throughout the **rest of Spain**, concentrating on the markets with the highest demand and lowest stock, with a special presence in Madrid, the Basque Country, Catalonia, Castile- La Mancha, Andalusia, Valencia and the Balearic Islands. It has offices in Bilbao, Barcelona, Madrid, Vigo, Gran Canaria, Sevilla, Guadalajara, Cordoba, Malaga and Valencia.

Below is an outline of the Neinor Homes **Group's corporate structure.**



5 Group companies engaged in the **construction business.**

10 Group companies engaged in the **rental business.**

27 Group companies engaged in the **developer business.**

* This table does not include other types of entities belonging to the group, such as joint ventures, cooperative societies, EIGs, UIAs, etc.

** This company is in the process of dissolution and liquidation (deed granted and submitted for registration on 30/12/2024).

05

SOCIAL IMPACT: CREATING VALUE THROUGH OUR **RESPONSIBLE BUSINESS MODEL**

The priority of our **business model** is to satisfy the needs of our customers based on responsibility in the **exercise of our activities** and the **commitments** we have made to our stakeholders.

5.1. ECONOMIC AND SOCIAL ENVIRONMENT

At Neinor Homes we are focused on meeting the needs, changing appetites and aspirations of our customers. We have a superior first home product, the best locations in Spain and a land bank acquired for the best prices.

Despite the climate of uncertainty resulting from the war in Europe that began in February 2022, the sharp increase in costs and prices that has followed, and the effect of the consequent restrictive monetary measures dictated by central banks around the world to try to curb price increases, we remain in optimal financial, operational and technological conditions to meet this challenge.

To counteract the effects of inflation, we incorporated the construction line into our **home-building division**, creating our construction company, **Neinor Works**, which was strengthened with the acquisition of Quabit and its construction company, Quabit Construcción.

In 2021 we created the **Neinor Essential line**, in which we develop affordable housing for more segments of the population with the company's usual qualities. In addition, we have also committed to the public-private partnership line to build 4,500 social rental homes in Barcelona and its Metropolitan Area through the mixed company Habitatge Metròpolis Barcelona (HMB).

Neinor Homes continues to be in optimal financial, operational and technological conditions.

One of the major novelties of the Strategic Plan approved this year is the **launch of various co-investment vehicles** for different types of projects such as sales, rental or senior living. A target set was to raise 500 million euros in five years, a figure that has already been far exceeded and 700 million has been raised through alliances with Axa, Orion, Urbanitae, Banco Santander, Ameris, and fundamentally, with the JV closed with Habitat after the acquisition of 10% of this company in October 2024.

The stabilisation of interest rates is helping Spaniards to access home ownership, even though financial institutions have put an end to the long-standing policy of facilitating access to mortgage loans. In this context, there continues to be a solid demand for new housing in our main areas of activity in Spain, in comparison with the scarce existing supply.

In this **context of a degree of economic stability** and bearing in mind that residential development is a sector with a complex value chain in which numerous agents are involved, Neinor Homes is tackling all these factors through a critical analysis based mainly on **new technologies, innovation** and **sustainability**. Improved **continuous listening** to our current and potential **customers**, virtual visits, on-line prereservations and digital signatures are other factors that allow us to better understand the direction the market is taking.

5.2. DEVELOPMENTS ON THE STOCK EXCHANGE

Neinor Homes was floated on the stock exchange on 29 March 2017 **with a value of 16.46 euros per share**. The first years of listing were marked by political and economic uncertainty for Spain. Subsequently, 2020 saw the COVID-19 health emergency have a social and economic impact that was reflected in the financial markets. Since the lows of March 2020, Neinor's stock has recovered as investor confidence has increased, driven by the roll-out of vaccines.The first half of 2021 continued to be based on optimism in the economic recovery. In contrast, during the second half of the year, fears of a more restrained economic policy by central banks, coupled with the advance of new variants of the virus, have caused the markets to reduce some of the gains made during the first months.

Following the announcement of the creation of the new rental business line in 2020 and a record year of both financial and operating results, Neinor announced in early 2021 the first consolidation transaction in the Spanish real estate sector: the merger by acquisition of Quabit Inmobiliaria. This merger added a total of 7,000 units to Neinor's land bank - 1,600 of them under construction or already completed. The valuation of the transaction together with its capital structure allowed for strong value creation for shareholders in the following years. By the end of 2021 Quabit was fully integrated into Neinor Homes and was generating operating profits for the company.

2022 was a year marked by atypical macroeconomic factors such as the war in Ukraine and inflation levels close to 10% yearon- year in Europe and the United States. This led central banks to implement a contractionary monetary policy by raising interest rates and thus increasing the cost of financing for households. However, it is important to highlight the resilience of Neinor's development business, whose sales performance remains at historically high levels, highlighting the shortage of new housing in Spain. Moreover, Neinor's rental business had a very solid performance marked by high occupancy rates and double digit rental growth.

The sector's discounts to its asset value have increased, pressured by the stock price of the real estate sector which had the worst performance of the EUROSTOXX 600 with a 38% drop in 2022. At year-end 2022, Neinor Homes was trading at a discount of approximately 52% with regard to its asset value.

Given the discount at which Neinor Homes was listed, the strength of its balance sheet with no refinancing or interest rate risks, the resilience of the Spanish residential market and one of the best land banks in its history, in March 2023 the company has decided to present a new business plan in which it will change its capital allocation policy to ensure attractive returns for its investors while maintaining its growth policy in a sustainable and capital-efficient manner.

The support of the new business plan by the capital market was clear, to the extent that at the end of said year 90% of analysts recommended buying Neinor shares and the target price is 12.60 euros per share. In 2023 Neinor Homes shares delivered a total return of 29% and the NAV discount was reduced to levels close to 33%.

In 2024 Neinor Homes continued with the solid implementation of the Strategic Plan (2023-27) presented in March 2023. Among the most notable milestones are three key indicators that reaffirmed the company's commitment to its shareholders. Firstly, the divestment of the Build-to-Rent (BTR) business has been a success, with the sale of six assets between 2023-24: Hacienda Homes to Kygal, Sky Homes to Savills IM, Europa Homes to Harrison Street and DeA Capital, Dual Homes to CBRE IM, Alovera Homes to Avalon Properties and Parla Homes to Round Hill Capital. These divestments total more than 1,000 BTR units and have generated revenues of approximately €275 million. Secondly, these asset sales have allowed the company to bring forward part of the shareholder remuneration programme, with €200 million planned for distribution in 2024, of which €75 million has already been disbursed and the remaining €125 million approved at the extraordinary general meeting, thus consolidating the market's confidence in Neinor's strategy. Including the €125 million in dividends to be distributed in the first quarter of 2025, Neinor will have already reached 54% of the €600 million shareholder remuneration target up to 2027.

Thirdly, the company signed important strategic agreements, Joint Ventures (JVs) with partners such as Avenue Capital, Bain Capital and Octopus Real Estate. These alliances have not only accelerated Neinor Homes' strategic objectives but have also allowed it to exceed the targets set for the next five years of €500 million, raising a total of €1.1 billion of capital for co-investment businesses, of which €700 million has already been invested. This success highlights the company's ability to adapt quickly to market opportunities and strengthen its position in the Spanish property sector.

In 2024, the capital market reacted positively to the evolution of the business plan. Neinor Homes managed to exceed its financial and operational objectives, which led to a significant revaluation of its shares. At the end of the year, **the company was trading at €16.90 per share**, excluding the €1 dividend per share that was distributed during the year, which means that the company was trading above its asset value. However, it is important to emphasise that the net asset value (NAV) excludes Neinor's stake in the capital of the joint venture vehicles, as well as the management fees Neinor will charge its strategic partners, thus reinforcing the market's perception of Neinor's ability to generate long-term value.

NEINOR HOMES SHARE PRICE EVOLUTION

The distribution of the shareholding is estimated as follows:

MAIN SHAREHOLDERS AS AT DECEMBER 2024

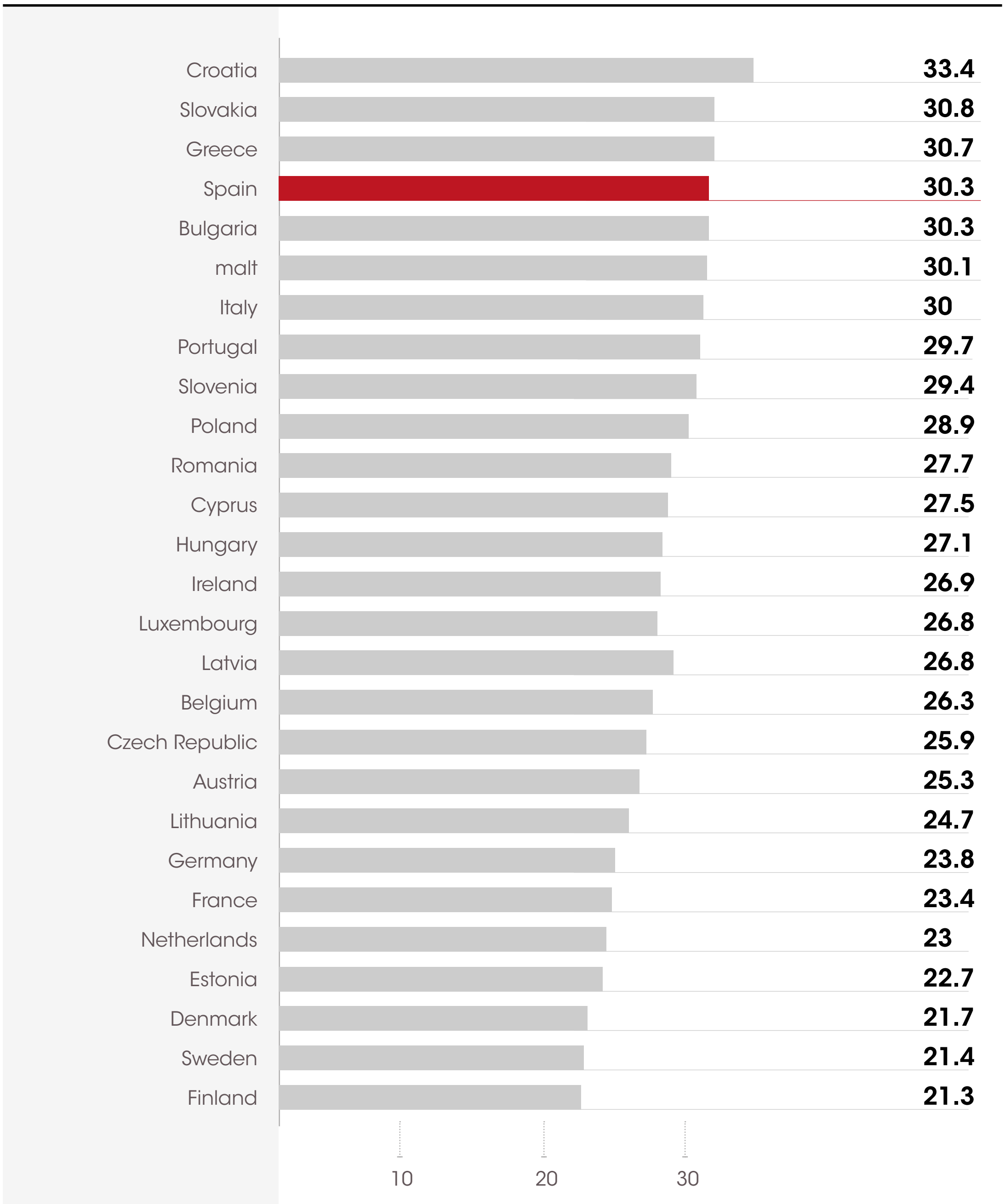
Name or company name of shareholder	Total % of voting rights
Orion European Real Estate Fund IV, SLP	**29.52%**
Stoneshield HOLDING S.A.R.L.	**25.00%**
Adar Capital Partners LTD	**12.69%**
Fidelity International Limited	**1.04%**
Other Shareholders	**31.75%**

5.3. ACCESSIBILITY TO HOUSING / DECENT HOUSING

In Spain, one of the biggest social problems is financial accessibility to housing. According to Eurostat 2022 data, the **average age for housing independence of young people in Spain** increased by half a year in 2022 and reached **30.3 years**, almost four years above the EU average.

Spain is equal fourth in the EU, together with Bulgaria, of countries where young people leave the family home the latest. This is due to the high rate of youth unemployment.

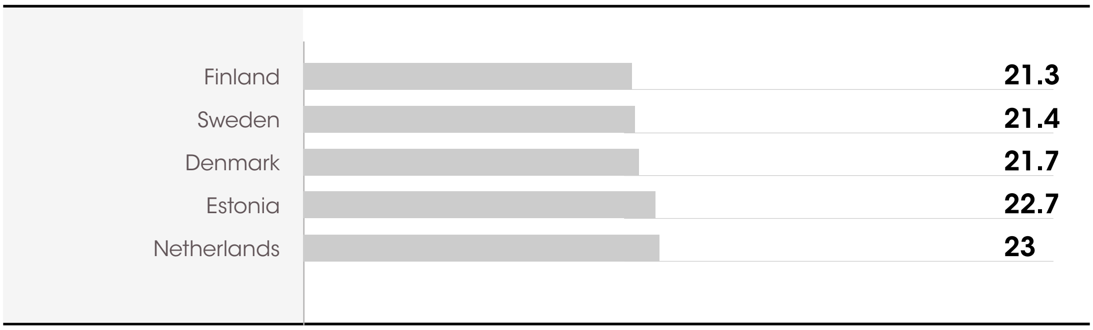
AGE AT WHICH YOUNG PEOPLE IN THE EUROPEAN UNION BECOME EMANCIPATED ON AVERAGE



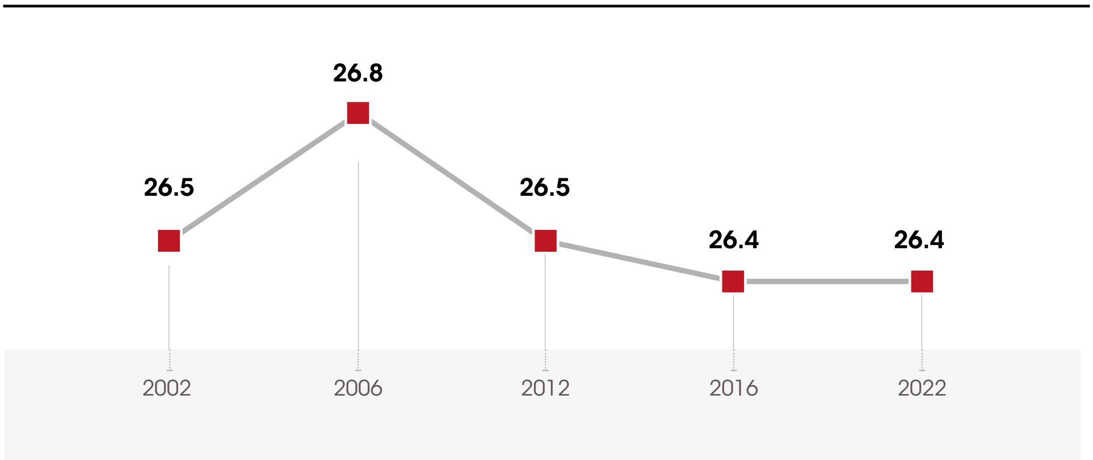
Source: Eurostat (2022)

COUNTRY WHERE THEY EMANCIPATE LATER

COUNTRY WHERE THEY EMANCIPATE THEMSELVES MORE SOON



EVOLUTION OF THE MIDDLE AGES IN THE EUROPEAN UNION AS A WHOLE (27 COUNTRIES)



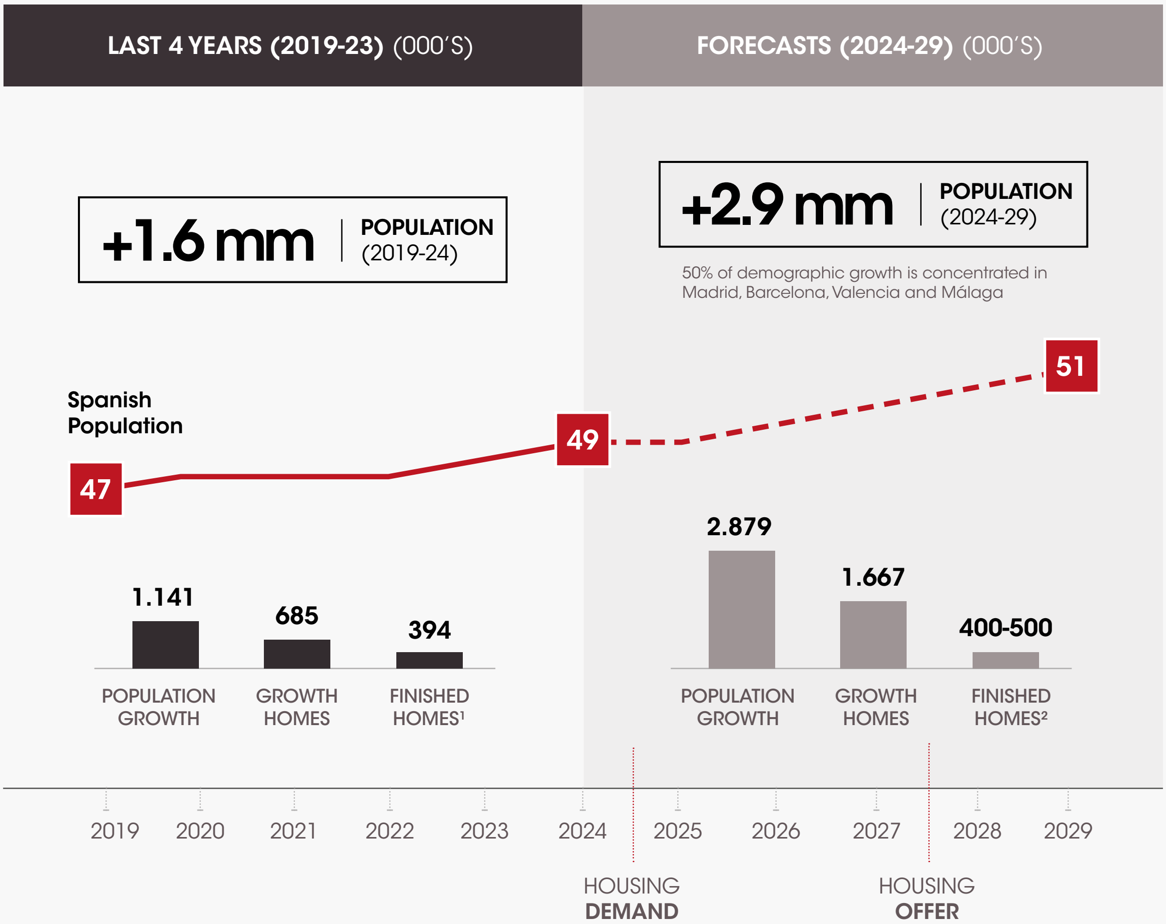
Fuente: Eurostat (2022)

There is a strong prospect of growth driven by households. In this connection, the following table shows that in the last five years, from 2019 to 2024, the population has grown by 1.14 million inhabitants. This fact indicates the need to create 685,000 households.

However, from 2024 to 2029, growth forecasts are for 2.9 million, with a forecast household growth of 1.7. Meanwhile, housing completions in these five years will only amount to 500,000. In addition, population growth is expected to be concentrated in Madrid, Barcelona, Valencia and Malaga.

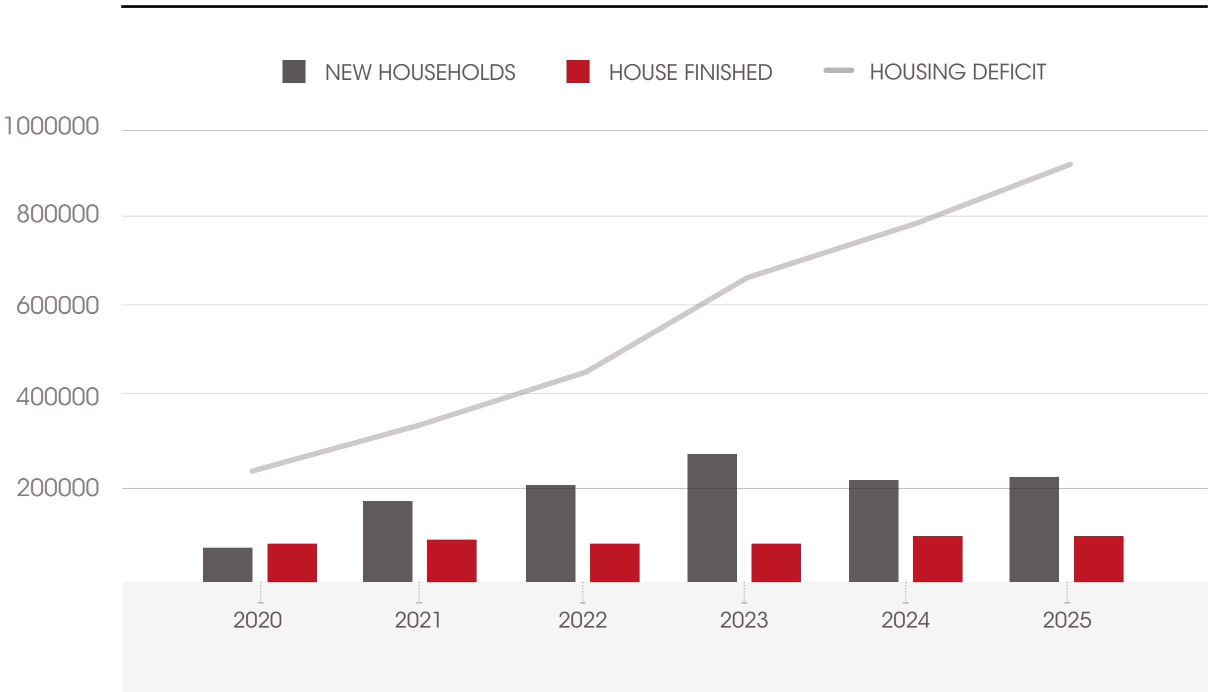
The Spanish population grew by 1.6 million in the last 5 years and an acceleration is expected until 2029

GROWTH OF THE SPANISH POPULATION (2019-2029)



[1]. Between 2029 and 2023.
[2]. Neinor Homes estimates.
The origin: INE and Fomento.

The trend over the last five years has been for there to be a large shortfall between completed houses and the creation of new homes. This has led to a problem of an accumulated housing deficit, which means that right now, in 2025, we are talking about a deficit of almost one million homes.



Neinor Homes, aware of this challenge, has developed various **lines of business** focused on the construction of **accessible and affordable homes** (free housing, protected housing, public-private partnership and rental).

UNSUBSIDISED HOUSING

Neinor Homes is currently the developer with the **highest number of affordable housing** units delivered.

SUBSIDISED HOUSING

Neinor Homes has demonstrated **its commitment to the construction of homes for groups with difficulties in accessing housing** through its subsidised housing development business line.

PUBLIC-PRIVATE PARTNERSHIP

Neinor Homes togethte with Cevasa has carried out a Public-private **collaboration with Barcelona City Council and the Barcelona Metropolitan Area.**

RENTAL

Neinor Homes has demonstrated **a strong presence in the rental market.**

UNSUBSIDISED HOUSING

Neinor Homes is currently the developer with the highest number of subsidised homes delivered. In 2024, it managed to deliver close to 435 homes, including affordable housing and subsidised housing priced below €200,000. This achievement has enabled many groups with financial difficulties to gain access to home ownership.

In addition to its experience in the construction of subsidised housing, Neinor Homes has created a new product line, called Neinor Essential. This line is exclusively aimed at offering unsubsidised housing at affordable prices, making it the first real estate development company to do so. With this objective, it seeks to bring the quality and services it offers to a wider public, irrespective of their economic situation. During 2024, the company delivered 258 privately-developed homes priced below €200,000 (with an average price of €167,000), **with the company meeting its target of 10% of its homes delivered, in progress or in design annually being affordable housing.**

In addition to the deliveries of housing already made, it has a portfolio of projects with 96 homes under construction and 109 homes in the project phase, aimed at groups with difficulties in accessing unsubsidised housing. With these projects, it seeks to continue to fulfil its commitment to the acquisition of quality housing at affordable prices, so that everyone can have a decent and comfortable home.

Objective of the Strategic Plan fulfilled

HOMES DELIVERED AT AFFORDABLE PRICES

258

SUBSIDISED HOUSING DELIVERED

177

HOMES UNDER CONSTRUCTION FOR SOCIAL RENTAL

296

SUBSIDISED HOUSING

Neinor Homes has demonstrated its commitment in the construction of housing for groups with difficulty accessing housing through of its line of business in subsidised housing. In 2024, 177 low-priced subsidized homes will have been delivered appraised (VPT) at an average price of €138,000 located in the province of Guadalajara. Furthermore, Neinor Homes currently has a total of 816 subsidised housing in different stages of production, of which 472 homes are already under construction.

PUBLIC-PRIVATE PARTNERSHIP

Neinor Homes has engaged in a public-private partnership, Habitatge Metròpolis Barcelona (HMB), in alliance with the Metropolitan Area of Barcelona (AMB), Barcelona City Council and Cevasa, to build 4,500 affordable rental homes in Barcelona and its metropolitan area.

This agreement, formalized in 2021 represents a milestone in public-private collaboration of this kind in Spain, boosting the population's access to affordable rental housing.

Work is currently underway on the development of two of the four phases into which the project is divided, with the housing units due to come into use between 2025 and 2028.

At the moment, four developments, with a total of 296 homes, are under construction, to which another five developments will be added between the first and second quarters of 2025, thus reaching a total of 688 homes under construction.

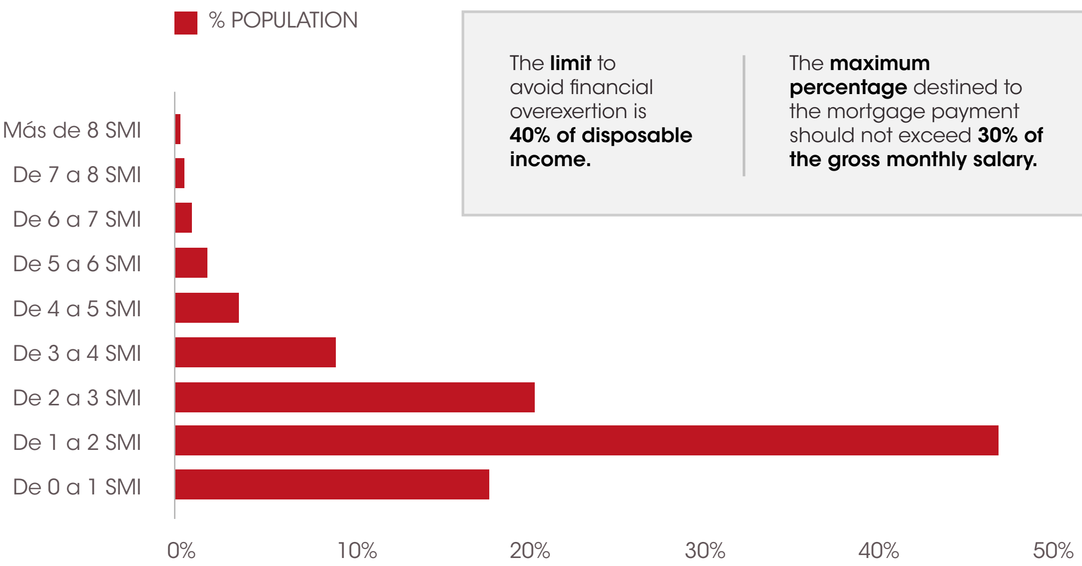
In addition, significant progress is being made in the launch of the developments corresponding to Phase 2, with a volume of 661 homes, and the analysis of the future phases of the project is beginning in parallel.

With this agreement, the company is fully aware that increasing financial accessibility to housing (one of our main objectives) requires cooperation with public administrations and demonstrates its commitment to inclusion and the construction of affordable housing for all segments of the population.

RENTAL

The choice to rent housing is affected by factors such as affordability and mortgage costs, labour mobility and social changes. Renting is a more affordable alternative for households with limited budgets and is more common among those with incomes below 60% of median income.

WORKERS AS A FUNCTION OF THEIR ANNUAL INCOME
IN RELATION TO THE MINIMUM INTERPROFESSIONAL WAGE



The **limit** to avoid financial overexertion is **40% of disposable income.**

The **maximum percentage** destined to the mortgage payment should not exceed **30% of the gross monthly salary.**

(National Institute of Statistics, 2020)

Neinor Homes has demonstrated its strength in the rental market - where there is a significant shortage of product and where the availability of new-build supply is practically non-existent - thanks to the consolidation and growth of its Neinor Rental line, that includes Renta Garantizada.

Neinor Rental is a platform that encompasses the entire value chain in the residential rental market, making it one of the leading players in the sector. This is possible thanks to the diversification of its strategy, which includes:

- Management of the rental of third-party housing through Renta Garantizada.
- Construction of homes for rent (BTR) to maintain ownership and rental management through Neinor Homes/Renta Garantizada.
- Construction of homes for rent (BTR) to increase the market supply of this asset in high demand and to increase its rental portfolio or subsequent sale to investors, including, as the case may be, rental management through Neinor Homes/Renta Garantizada.

During the year, 3 sales transactions were carried out with different companies / funds such as Santander Alternative Investments, Ares o Roundhill, for a total amount of 95 million euros, placing a total of 482 homes and 8 commercial premises on the rental market, and in two of these transactions the investors have entrusted Neinor with the management of the homes.

As at the end of 2024 Neinor Homes has a portfolio of around 5,276 rental housing units under management. Of these 5,276 dwellings, 465 are owned dwellings and 462 are managed dwellings belonging to large funds. In addition, the occupancy rate of the consolidated developments is 97%.

HOUSING ACCESSIBILITY AT THE SOCIAL LEVEL

Neinor Homes, aware of the difficulty that certain groups have in accessing housing, In 2023, began participation in two initiatives whose objective is **to facilitate access to housing, define the conditions of decent housing, guarantee the right to housing and end homelessness:**

- ESADE Observatorio de la vivienda digna (Decent Housing Observatory).
- The Grand Alliance to end homelessness.

1. DECENT HOUSING OBSERVATORY

The ESADE Institute for Social Innovation has created the "Decent Housing Observatory" project with the aim of analysing and making visible the various social challenges posed by housing, from a social, international and intersectorial point of view. Neinor Homes supports and works together on this project with Fotocasa and Leroy Merlin.

esade
RAMON LLULL UNIVERSITY
Institute for Social Innovation

In line with Neinor's social commitment to housing in general and in particular to the promotion of quality and affordable housing, the Observatory gives us the opportunity to **approach the analysis of housing as a social phenomenon and a primary and essential vehicle for the development of a full life for all**. Housing is not simply a passive element in our lives. Our home is our refuge, a place where we can feel safe, which in turn protects us and which at every moment of our lives facilitates the greatest and best expression of our possibilities.

In our country, there are many people who, **at one time or another in their lives, have great difficulties in accessing, staying in or maintaining their housing in optimal conditions.** The obstacles to access, a multi-causal phenomenon, are clearly manifested in the most vulnerable groups in our society (people with medium, medium-low or low incomes, families with children, single-parent families, young people, migrants, elderly people, people with illnesses or different types of disability). Beyond these, more and more people and families are spending much more than the 30% of disposable income considered appropriate by international standards on housing costs.

The work of the Observatory will combine rigorous research with an analysis of social reality giving voice to its protagonists with a twin focus: on the one hand, on the social, economic and human processes associated with housing that lead to housing insecurity and legitimise it, and, on the other, on the consequences of situations of substandard housing at the individual, collective and social level. Led by Ignasi Martí, director of the Institute for Social Innovation, the Observatory seeks to understand in detail the realities that housing insecurity entails.

In line with Neinor's desire for transformation, the Observatory also aspires to become a forum for social innovation that provides actors and agents linked in one way or another to the housing phenomenon (third sector, public administration, companies) with a platform to advance knowledge and explore approaches that, from the first-person experience of those who live in substandard housing conditions, contribute to advancing practices, policies and actions for improvement.The Observatory also has a multidisciplinary Advisory Council that brings together a wide range of renowned experts and will accompany the work to inform and guide it.

As of December 31, 2024, the observatory is finishing defining, based on scientific literature, national and international reports, the contributions of the Observatory's advisory board and its own fieldwork, **how decent housing should be understood in our context** (or, in the opposite sense, what makes a dwelling substandard). The objective in this first stage of the project is to define the sufficient and necessary conditions for decent housing in order to, in subsequent phases, contrast the reality of the different housing experiences in the light of these conditions. This first phase **will culminate in the first quarter of 2025 with the presentation of the first of three reports that the Observatory will produce in the coming years.**

In successive phases, the Observatory **will focus on the life experiences of certain groups depending** on the conditions of their housing in order to analyse the relationship and impact of substandard housing on, among other things, physical and mental health, the proper emotional and educational development of children and adolescents, job expectations and options, the experiences of our elders and the prosperity of society as a whole.

In order to increase social impact, throughout its work, the Observatory will make use of the knowledge generated to allow both dissemination and academic research outputs and, on the basis of these, to make recommendations for action and public policies that exclude housing insecurity as a solution to the housing emergency.

2. THE GRAND ALLIANCE TO END HOMELESSNESS. START WITH THE ROOF

NEINOR HOMES, as part of its commitment to society, is participating in the **GRAND ALLIANCE TO END HOMELESSNESS** to ensure that no one lives on the street.

Promoted by **HOGAR SI,** it is in line with the objectives of the European Union and the 2023-2030 National Strategy to Combat Homelessness, with the aim of **eradicating homelessness on the streets** in Spain by 2030.

Solving this problem is possible thanks to the collective endeavour of various actors, who bring to the table innovative and definitive solutions, and to meaningful and large-scale transformation, harnessing the talents of all organisations interested in solving homelessness.

HOGAR SI, a social initiative, non-profit, state-wide, independent and plural **organisation**, created in 1998, is convinced that **IT IS POSSIBLE TO END HOMELESSNESS** through housing solutions, and it believes in the responsibility of society to tackle the phenomenon, focusing on the problem and not on the person who suffers from it.

Present in 10 autonomous regions, it works with a rights-based approach so that no one lives on the street, focusing on housing solutions (with professional support), health and employment, to guarantee the right to housing which, in turn, guarantees other rights such as health and security.

HOMELESSNESS is a structural phenomenon that affects all societies and is due to social, economic and political factors. It is a multifactorial problem that requires comprehensive solutions and social transformations. Homelessness is not a personal choice and goes beyond the particular circumstances that lead a person to live on the street.

Homelessness severely compromises a range of human rights:

RIGHT TO HOUSING

- **37,117 People in Spain are homeless.**
- **77%** of those affected are **men** and **23%** are **women.**
- **45%** of people living on the street have been homeless for more than 3 years**.**
- **74%** of the places in the system are oriented towards a temporary stay.

RIGHT TO HEALTH

- 35% of homeless people are outside the care system.
- 44% of homeless people have a negative perception of health.
- Homeless people have up to 30 years less life expectancy.

RIGHT TO DECENT EMPLOYMENT

RIGHT TO SECURITY

- 50% of homeless people have experienced a hate crime.

All data are from the Homeless People Survey 2022 (INE, 2022), except: *Survey on centres and services for homeless people 2016 (INE, 2016) and **HATEnto Observatory 2015.

Large companies such as Mapfre, El Corte Inglés, etc., and now also Neinor Homes, committed to having a positive impact on the environment and society, are key players in **helping to achieve this goal and eradicate street homelessness in Spain.**

Objectives **2022-2025** Sustainability Plan

SUBSIDISED HOUSING	PUBLIC-PRIVATE PARTNERSHIP	AFFORDABLE HOUSING	ACCESSIBILITY TO HOUSING IN THE SOCIAL LEVEL
Promote housing construction of social protection for sale.	Encourage and promote public-private agreements for the development and construction of social rental housing.	Incorporate a new line of housing with more affordable prices than those offeredon the market.	Develop social and community regeneration initiatives in those areas where the company is present that present said need.

According to the company's pioneering Social Impact Report, **greater accessibility to housing** has been achieved through three channels*:

UNSUBSIDISED HOUSING

Since we started measuring our social impact, we have completed **6,940 unsubsidised housing** (2,209 of them completed in 2023), **representing 5.9% of the total number of homes completed in our areas of operation** (6.7% in 2023).

SUBSIDISED HOUSING

In the last twoyears **we have built a total of 1,154 subsidised housing units, 457 of them in 2023**. In 2023, Neinor Homes promoted 77% of the Official Protection homes in the province of Guadalajara.

RENTAL

In 2021, the reduced financial effort required to live in a home in our Rental line enabled **20% more of the population to have access to a top-quality home.**

*Data from the latest social impact report, which includes figures for developments delivered in 2023.

In addition, the following 4 points of the Strategic Sustainability Plan have been achieved in the 2023 financial year:

TO PROMOTE

the construction of subsidised housing for sale, aiming for 10% of the housing delivered, in the execution or design phase each year, to be subsidised housing.
In **2024**, we have:

177 SUBSIDISED HOUSING UNITS WERE DELIVERED UNDER THE VPT SCHEME

472 HOMES UNDER CONSTRUCTION

344 IN THE DESIGN AND PRODUCTION PHASES.

TO PROMOTE AND ENCOURAGE

public-private agreements for the development and construction of rental social housing, with at least 10% of the housing each year delivered or in the design or construction phase allocated to social rental. In **2024**, we have:

296 HOMES UNDER CONSTRUCTION

661 IN THE DESIGN PHASE OF THE HMB PUBLIC-PRIVATE AGREEMENT

INCORPORATING

of a new line of homes at more affordable prices than those offered on the market in wellconnected locations and with quality services (Neinor Essential) with at least 10% of the housing units delivered/under construction/in design each year being affordable housing. In **2024**, we have:

258 AFFORDABLE HOUSING UNITS

96 HOMES UNDER CONSTRUCTION

109 HOUSING IN THE PIPELINE

DEVELOP SOCIAL AND COMMUNITY REGENERATION INITIATIVES

in those areas where the company is present that have such a need.

THE STRATEGIC SUSTAINABILITY PLAN 2024

5.4. MEASURING SOCIAL IMPACT

Over the past decade, the environmental impact of companies has been the main focus of sustainability commitments. While environmental issues have been, and will continue to be, critical to the achievement of the SDGs, **social impact is becoming an increasingly important issue on the business agenda**, especially following the presentation in July 2021 of the **European Union's** draft **Social Taxonomy**, where it seems clear that the classification of activities will contribute significantly to boosting sustainable and responsible investment with a focus on social aspects.

As part of Neinor Homes' commitment to its Stakeholders and being aware of its **capacity for both social and environmental impact,** the Top Management of the company is committed to the search for elements that allow it to measure and manage this impact as a source for making better strategic decisions and thus maximise its contribution to society.

Along these lines, the company, with the support of what we consider to be the best external expert in this field (Transcendent), embarked in 2022 on a project with the aim of measuring the social impact of its developments. Thus, Neinor Homes was the first developer to carry out and report a measurement of its social impact, in aspects such as accessibility to housing, basic services, healthy lifestyle, employment and local development, among others.

Link to the 2022 Social Impact Report

This is supported within the framework of the Impact Management Project (IMP), a pioneering global association in impact measurement that brings together many of the available international standards and guidelines.

Based on an internal process of identification and prioritisation of impacts, which has involved both the Management Committee and key people in the organisation, Neinor Homes has developed its own tool based on international standards, which allows the quantification of the impact **that the company has on its Stakeholders.**

The development of this tool has made it possible for Neinor to measure the social impact of its developments this year without the need for the assistance of an external expert.

The measurement of this impact is framed in three broad dimensions:

1

LIVEABILITY, WELL-BEING AND SOCIAL COHESION

We consider this to be the most important aspect of this project, as it refers to housing accessibility, one of the biggest problems for Spanish society, especially for the working class and young people. After the pandemic, the housing market situation in Spain is facing a significant shortage of supply, especially in large urban centres, and even more notably a shortage of social housing, with Spain being one of the countries in Europe with the lowest number of social housing units per number of inhabitants. Our most important responsibility as developers is to improve access to housing for those segments of the population that need it most and for young people, especially in areas within or close to large urban centres, as well as to contribute to the wellbeing of the people who live in our homes. An example of this commitment is the major development we are carrying out in the municipality of Alovera, in an area very close to Madrid, which allows us to offer quality housing at a much more affordable cost than in other municipalities in the capital.

2

ECONOMIC SUSTAINABILITY AND LOCAL DEVELOPMENT

Neinor Homes contributes to the economic development of the municipalities in which it operates, being a relevant player in the development and regeneration of the neighbourhoods in which the developments are located.

3

RESOURCE EFFICIENCY AND THE ENVIRONMENT

We promote urban transformation towards a more sustainable and efficient model. Traditional energy sources are increasingly expensive, generate dependence on the foreign market and have a significant impact on the environment. Furthermore, sustainable mobility is a critical aspect of both the European Union's Urban Agenda and the Spanish Urban Agenda.

The management of Neinor Homes, totally involved with and committed to this project, intends for the company, by means of the same, to be a benchmark in driving the transformation of the real estate sector towards more inclusive and sustainable models, **consolidating the company's leadership in sustainability.**

The project was initially developed by Transcendent, an expert consultancy in impact and sustainability, through **5 major phases:**

- **Understanding the projects and classification by type**. This first phase allowed Neinor Homes' developments to be classified according to various criteria, such as line of business, size in number of homes, type, per capita income and population density, etc.
- **Review of international standards,** on two levels, analysing on the one hand the international framework established by the United Nations in its **Sustainable Development Goals** and on the other hand various impact measurement guides in real estate, such as the **UK Building Council's Green Book**. This phase resulted in the creation of an initial database with 90 indicators.
- **Identification and prioritisation of impacts.** Based on this initial database, a prioritisation process was carried out **(Figure 1),** conducting two workshops involving key members of the company and the Management Committee.

Once this preliminary measurement framework was established, work was done on a prioritisation matrix **(Figure 2)**, ranking indicators according to their importance and ease of calculation and reliable data access.

- **Definition of the method of quantification and search for quality data sources,** prioritising official and standardised data sources.
- **Development of a proprietary measurement tool** that allows reporting at the individual development level, at the regional level, or at the aggregate global level.

FIGURE 1 | Prioritization of impacts and transversal indicators

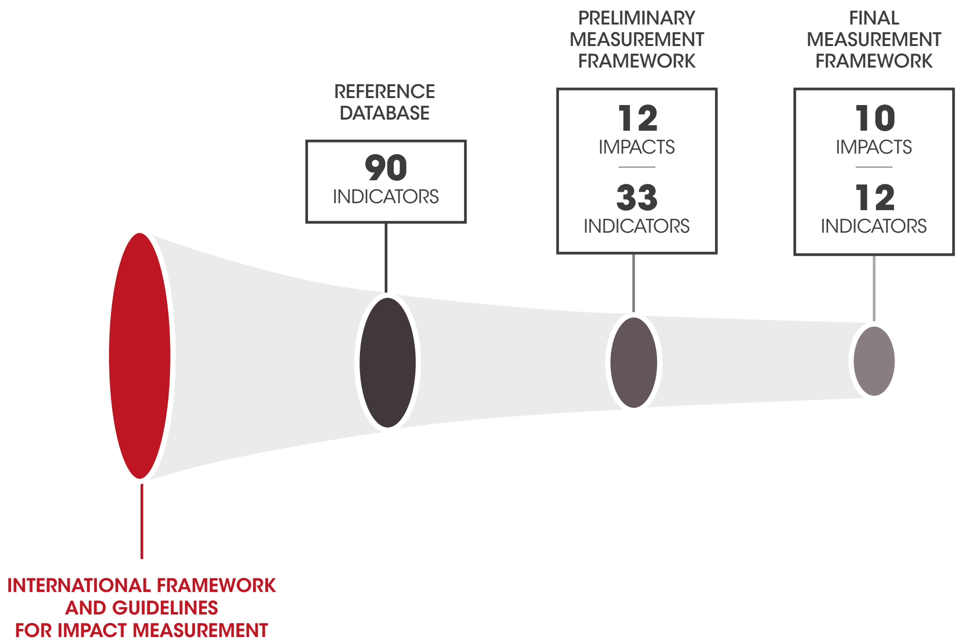
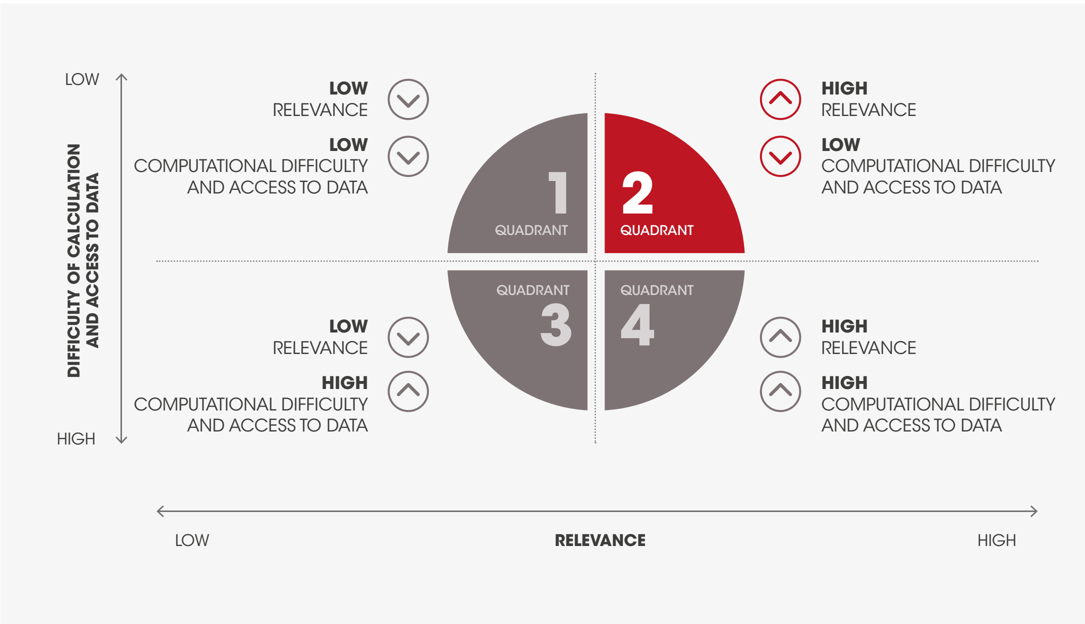


FIGURE 2 | Prioritization matrix



In 2022, the **first measurement of the impact of Neinor's developments** with end of works in 2021 was carried out. The final measurement framework was made up of a total of 3 dimensions encompassing 9 impacts and 12 indicators.

Over the last three financial years, we have continued to measure the impact of our completed housing developments using the same final measurement framework. We present below the results obtained from the latest impact measurement carried out, corresponding to those developments completed throughout 2023, aggregated and/or as compared to the previous measurements:

1. HABITABILITY, WELL-BEING AND SOCIAL COHESION			
1.1	ACCESSIBILITY TO HOUSING	We measure our contribution towards making housing more accessible, increasing supply in relation to demand, and opening lines of business focused on facilitating access to housing for the most disadvantaged segments of society.	Since we started measuring our social impact, we have completed a total number of **6,940** unsubsidised housing units (2,209 of them completed in 2023), which represents **5.9% of the total number of housing units completed in our areas of operation** (6.7% in 2023). In the three financial years where impact measurement has been carried out, we have built **a total of 1,154 subsidised housing units**, 457 of them in 2023. In 2023, **Neinor Homes developed 77% of the subsidised housing in the province of Guadalajara**, near Madrid, one of the most high-pressure areas and one with the greatest need for affordable housing in the country. In 2021, the reduced financial effort required to live in a home in our Rental line enabled 20% of the population to have access to a top-quality home. This positive impact could not be repeated in the following financial years in which the measurement was carried out, due to the higher rental cost of the developments launched on the market. However, the presence on the rental market presents other advantages for consumers, such as greater flexibility, the fact that large amounts of capital are not needed to access housing, and the increase in the gross overall housing supply.
1.2	ACCESSIBILITY TO BASIC SERVICES	Basic services are those to which the entire population should have access in order to guarantee a life of quality: health, education and food.	Thanks to the location of our developments, **we have increased by 12.5 times the accessibility to basic services for the inhabitants of our homes** compared to the average of the area where our developments are located (13.6 times in 2023).
1.3	PROMOTING A HEALTHY LIFESTYLE	The availability of nearby green spaces and the regular practice of sport offer multiple benefits related to mental and physical health and well-being.	Our developments, on average, **increase the accessibility to sports facilities by 4.2 times** the provincial average (3.1 times for developments completed in 2023) **and the size of green areas available within a 10-minute walk by 2.3 times** (2.1 times in 2023).
1.4	FAMILY WELL-BEING AND SOCIAL COHESION	We promote family interaction and the creation of a strong and united community.	Our homes completed in the last two years of impact measurement have, on average, **26% more common areas than the average for the autonomous region where they are located**, 24% for homes developed in 2023.

2. ECONOMIC SUSTAINABILITY AND LOCAL DEVELOPMENT

2.1	EMPLOYMENT GENERATION	The construction sector is considered one of the main drivers of the Spanish economy. Neinor Homes, through the construction and subsequent habitability of its developments, increases the employment in certain locations.	As a result of the development of the homes delivered in 2023, 2022 and 2021, **we have created 20,355 direct and indirect jobs**, 6,529 of them created during 2023, taking into account the jobs created during the construction phase and during the habitation phase of the homes.
2.2	URBAN REGENERATION	Taxes and fees are the main source of revenue for municipalities. The arrival of new inhabitants in a locality contributes to increase the resources of the Municipal Public Administration.	**Neinor's direct contribution through taxes** in the municipalities in which it has developed its activity in the last two years **has been 52.1 million euros**, of which 14.6 million euros correspond to 2023. The residents of the homes completed in 2023, 2022 and 2021, for their part, **will contribute 5 million euros annually to the municipal administrations** through the payment of recurring taxes such as the IBI or the IVTM.
2.3	PROMOTION OF LOCAL BUSINESS AND COMMERCE	The arrival of residents from a Neinor Homes development stimulates business activity in the area.	We estimate that the arrival of new residents in the neighbourhoods where we operate in 2023, 2022 and 2021 **generate 99,5 million euros per year in profits for local businesses.**

3. RESOURCES AND ENVIRONMENTAL EFFICIENCY

3.1	BOOSTING SUSTAINABLE MOBILITY	By choosing the location of the development, Neinor Homes determines the ease of access to public transport for its residents.	According to our measurements, our developments offer lower access to public transport than the average in the municipalities in which we operate. This is because the areas of urban expansion, where property developers, including Neinor, tend to operate, are far from the centre of these municipalities and, therefore, tend to be less well served by the public transport network. However, the creation of new neighbourhoods and the regeneration of urban areas such as those in which we operate **means that this public transport network is expanding, reaching places where it was previously less present.**
3.2	EFFICIENT HOUSING DESIGN	Energy efficiency has become a priority for consumers and governments around the world.	We estimate that each family living in a Neinor Homes home completed in 2023, 2022 or 2021 **will save an average of 1,782 euros per year in energy costs** (2,323 euros in the case of residents of homes completed in 2023). We estimate that families who buy a finished house from Neinor Homes throughout 2023 will save more than 5% of their annual income thanks to lower energy costs.

5.5. INDUSTRIALISED BUSINESS MODEL WITH THE CUSTOMER IN MIND

Neinor Homes is a real estate platform that covers the entire value chain of its business activity: urban development management, design, construction, sale and rental.

Neinor Homes' main activity is the **residential development of first and second homes in Spain**. Unlike other companies in the sector, it **buys development-ready land at market value and strategic land with a high degree of urban development**, without running financial risks in the event that it does not reach development-ready status, obtaining a profit margin from the transformation of this land into homes. In addition, Neinor Homes **manages all phases of the value chain of the residential development process**, including land acquisition and urban development management, design, construction and marketing of the product and after-sales service. Its business model is based on the industrialisation and systematisation of processes, involving the entire company in the business objectives and strategy. Thus, **all employees are involved in the aim of creating a stand-out developer.**

Neinor Homes applies an **industrialised model based on 6 main pillars:**

Neinor Homes manages all the phases of the value chain residential development process.

SYSTEMATISATION

The systematisation of the company's processes makes it possible to **work with defined rules** in all developments.

STANDARDISATION

Neinor Homes has developed the **construction White Book**, in which it establishes the design criteria and company-specific product attributes that are adapted and applied to all products.

RIGOUR

Rigour in **meeting development deadlines** and focus on the margins are clear principles of the company's industrial model, which enables it to meet its commitment to customers and shareholders.

LISTENING

The design and functionality of the final product is based on the expectations and needs of potential customers and market preferences.

INNOVATION AND TECHNOLOGY

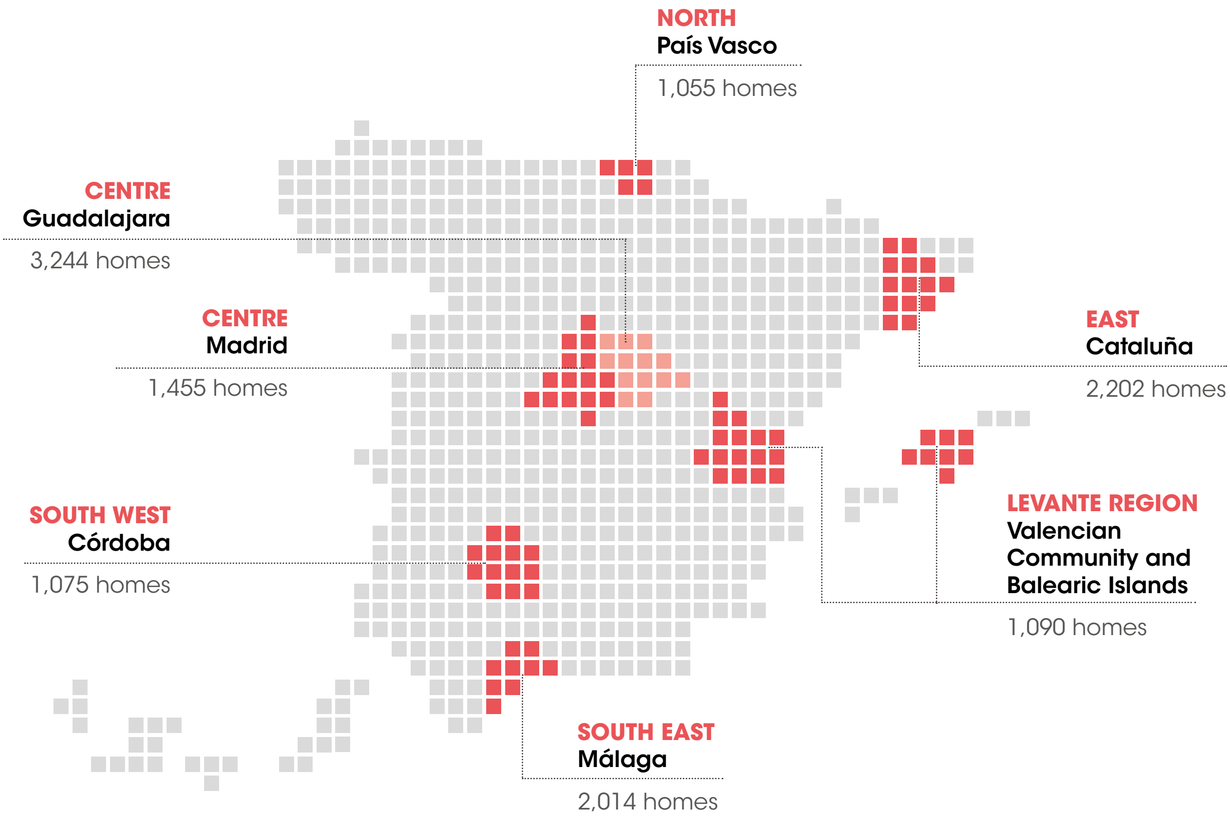
Through **innovation**, Neinor Homes **optimises** the development of the different processes, incorporating new services, construction systems, technologies and materials. Integration of the entire value chain in a **digital environment,** with the objective of increasing productivity, fostering collaborative work and decision-making.

SUSTAINABILITY

Integration in the final product of the latest materials and advances that allow a **lower impact of emissions** both in the construction and in the use of the homes, being an environmentally responsible company with a strong commitment to sustainable building, with all its homes being eco-efficient and thus offering its customers maximum energy efficiency and user comfort.

THE MAIN FIGURES FOR NEINOR HOMES

Neinor Homes currently has **one of the largest banks of quality development-ready land in Spain**, with an area of **1.50 million m²**



Within its pre-eminent position in the real estate sector, the fundamental component of Neinor Homes' business model and its value chain is the **launch of residential developments**. The year 2024 has continued to be a year of profound institutional development with the consolidation of Neinor Homes as a benchmark developer thanks to the **delivery of 1,975 homes; and having, at the end of 2024, more than 5,000 homes in various stages of production (1,948 homes in the launch phase and 3,100 homes under construction for development).**

VALUE CREATION FOR OUR STAKEHOLDERS

ECONOMIC VALUE

Neinor Homes is an engine of economic progress in the Spanish real estate sector. In 2024 it purchased land worth €48.8 million, in line with the dynamic of land acquisition at prices in accordance with the company's business plan, in line with the containment policy implemented in 2020 which advised waiting for the right time to buy.

Total revenues for the year were €502 million, with a net profit of €63 million euros and EBITDA of €102 million. In addition, €15 million income tax was paid, and no subsidies were recorded. Moreover, the net book value of Neinor Homes' stock at 31 December 2024 was €1,067 million, in line with 2023*.

In the 2024 financial year, the economic value generated was **€521 million** and the economic value distributed was **€454 million**, with a retained economic value of **€67 million**.

In the 2024 financial year, Neinor Homes continued with its co-investment strategy by signing joint venture agreements with other partners, thus demonstrating its capacity for the integral management of its business portfolios. Of note in 2024 was the corporate operation of entering into the capital of the real estate company Habitat, with Neinor Homes taking charge of its global management.

*For further information please see Annual Accounts.

ECONOMIC VALUE GENERATED
€521 million
(ordinary income + other income + gain or loss on disposal of fixed assets)

DISTRIBUTED ECONOMIC VALUE
€454 million
(costes de existencias + costes operativos + costes financieros + costes de personal)

ECONOMIC VALUE RETAINED
€67 million

SOCIAL VALUE

Neinor Homes seeks to sell homes that meet the **needs of its customers** and contribute to the **social and economic development** of the places where they are located.

Since its origins, Neinor Homes has maintained a strong commitment to outsourcing. Its **591 employees** work side by side with the **best external professionals in the sector,** from architects to project managers, from construction companies to quality control, geologists, etc. Therefore, Neinor Homes acts as a driving force in the sector, with a strong national presence and which this year has generated indirect employment for, **3,307 professionals**.

[1] According to the Association of Real Estate Developers of Madrid (ASPRIMA), 2.4 indirect jobs are generated per individual home.

591
DIRECT JOBS

3,307
INDIRECT JOBS[1]

ENVIRONMENTAL VALUE

Neinor Homes is a company committed to the environment that surrounds it and promotes the preservation of and respect for the environment, setting itself demanding challenges to work in a more sustainable way and to find solutions that allow it to reduce the environmental impact of all its corporate activity. This commitment is reflected in the fact that most of its homes from the outset meet the requirements of the prestigious **BREEAM® sustainability certificate**.

Currently, 53% of our developments have BA/BB Energy Certification and 34% have AA Energy Certification, and Neinor Homes has committed to carrying out a life cycle analysis of all its projects started from 2022. In addition, in 2021 Neinor Homes began measuring the corporate carbon footprint.

Neinor Homes has an **Environmental, Quality and Innovation Policy** and is ISO 14001 certified for promoting the use of sustainable techniques in the design of energy efficient buildings*.

*Formore information, please see pages 61 to 64.

QUALITY, ENVIRONMENT AND INNOVATION POLICY

ISO 14001
CERTIFIED

5.6. SUSTAINABILITY AS AN INTERNAL ACTION FRAMEWORK

SUSTAINABILITY GOVERNANCE

Sustainability management at Neinor Homes is carried out by the **Sustainability Committee**, chaired by the CEO of the company and led by the Governance, Risk and Compliance (GRC), Internal Audit and ESG Department, which reports directly to the Board of Directors through its Audit and Control Committee (the supervisory body for this matter in line with the principles established in the **Sustainability Policy**).

The Neinor Homes Sustainability Policy establishes the **general principles and the internal action framework** for the integration and management of social responsibility with respect to people,operations and the environment, based on the company's strategic pillars: environment, society and governance.

SUSTAINABILITY PLAN 2022-2025

In October 2016, Neinor Homes defined its sustainability strategy to 2030 through the **Corporate Social Responsibility Master Plan**.The aim of the Plan was to create a **single cross-cutting framework** that would allow for the **integrated management of all** social, environmental and good governance initiatives, identify specific objectives and design specific actions in the short, medium and long term. For each of the company's strategic pillars, a **set of courses of action and operational monitoring indicators** were established.

As we have mentioned previously, **in fiscal year 2021**, the company worked to improve and update this Plan, on the understanding that its premises and objectives were still valid but that they needed to evolve, thus giving rise to the **2022- 2025 Sustainability Plan**, which was approved by the Board of Directors in September 2021. This Plan was updated and revised at the end of the 2023 financial year and in 2024, as explained earlier in this report (in section 3), based on the analysis of environmental risks and opportunities and the company's impact on the environment and people (double materiality analysis)..

To define the areas of action, objectives and courses of action of the Plan, the **17 Sustainable Development Goals (SDGs)** of the United Nations were taken as a reference, and to involve all the company's departments in the achievement of the goals set, each line of action was assigned a deadline, area and person responsible for its fulfilment.

STRATEGIC PILLAR	AREAS OF ACTION	OBJETIVES
SOCIAL Our people and communities	• Housing for all • People's safety, health and well-being • Customer relations and protection • Commitment to the team • Social, community and city engagement	• Affordable social housing • Safety, health and well-being of employees, suppliers/contractors and customers • Community well-being and cohesion • Personalised attention and active listening to customers • Attracting and retaining talent • Diversity and equality • Social action • Relations with local communities and human rights
ENVIRONMENTAL Building homes for tomorrow	• Sustainable and resilient housing • Consideration of climate change. LCA / Carbon footprint • Eco-efficient housing / resource consumption • Protection and improvement of the environment • Circular economy	• Environmental management system • Resilient housing • Emissions in construction, operations and energy • Energy efficiency • Climate change risks • Water management • Sustainable mobility • Biodiversity • Urban planning and community transformation
GOVERNANCE Our way of doing things	• Best practices in corporate governance • Ethics and integrity • Transparency and relations • Responsible supply chain • Digital culture / innovation • Sustainable financing	• Alignment with government standards • Maintaining and strengthening ESG responsibilities in governance bodies • Ethics and integrity • Engagement with stakeholders and external initiatives • Transparency and publication of policies • Sustainable discourse • Quantification of impact • Responsible supply chain • Sustainable innovation • Promoting digital literacy • Alignment with the European taxonomy of sustainable finance • Definition of theoretical frameworks for ESG fundraising

For more details on the degree of compliance and the resulting coursesof action after the Plan was updated, see point 3.

SECTORAL ALLIANCES AND MEMBERSHIP OF ASSOCIATIONS

Neinor Homes, as a real estate developer, is a member of several associations linked to the construction sector within the scope of activity thereof. Likewise, aware of the importance of sustainability and the environment, it is a part of the BREEAM® programme reserved for companies that share the philosophy and objective of transforming the building sector, promoting more sustainable construction.

Pursuant to its Corporate Governance, Ethics and Compliance policy, these are the associations of which it is a member:

Association of Builders and Developers of **Bizkaia** (ASCOBI)
Association of Real Estate Developers of **Madrid** (ASPRIMA)
Provincial Association of Real Estate Developers and Agents of Building and Rehabilitation of **Valencia**
Provincial Association of Constructors and Developers of **Málaga**
Association of Construction Entrepreneurs of **Córdoba**
Association of Developers and Building Constructors of **Barcelona**
Association of **Internal Auditors**
Global Compact (Sustainable Development Goals -SDGs-)
Global Compact (Sustainable Development Goals)
ASVAL (Association of Rental Property Owners)
CPEA (Climate Positive Europe Alliance)
Clúster de la Edificación (Association made up of companies, universities and research centres)
PTEC: PSpanish Technological Platform for Construction (Public and private R&D&I collaboration)
Members of the Board of Directors of APEC (Provincial Association of Construction Companies of Guadalajara
GAESCO (Association of Builders and Developers of Seville)

QUALITY AND ENVIRONMENTAL MANAGEMENT

The application of the principles established in the area of ESG, togetherwith its commitment to offer its stakeholders the maximum excellencein quality in its products and actions, lead Neinor Homes to carry outefficient management of quality and the environment in its daily activities. The Environment, Quality and Innovation Policy is focused on achieving excellence in management in order to meet these expectations.

Neinor Homes has a **Quality Committee** which, since 2016, has been responsible for setting the annual Quality and Environment objectives, to advance towards excellence, and to monitor these objectives, meeting as needed, and the presentation and approval of the company's procedures, monitoring of the Quality department and management review, keeping them up to date and in a process of continuous improvement. The Committee is made up of the general management, regional managers and the company's CEO.

The Quality area became part of the Corporate General Management in 2021, prioritising the updating of procedures and their accessibility. Among the tasks carried out, priority was given to updating and improving the company's processes and the procedures that support them, in pursuit of continuous improvement and improving the efficiency of all areas. The integrated Quality, Environment and Innovation Management System was successfully recertified in accordance with the ISO 9001:2015, ISO 14001:2015 and UNE 166002 standards..

Neinor's activity involves a large number of suppliers and contractors who work together in the development of projects. To ensure the **highest quality standards**, all of them are obliged to comply with what the provisions of the signed contracts and with the indications included in the White Book.

ISO 9001:2015

ISO 14001:2015

AENOR Gestión I+D+i UNE 166002

AENOR Seguridad Información ISO/IEC 27001

Promoción **Limonar Homes**

Reducing the **environmental impact in all its offices** is another of the key points for Neinor Homes, which is why significant efforts are made to minimise energy consumption and the usage of materials such as paper and toner. In addition, 100% of the company's facilities are certified according to widely accepted quality standards.

SIGNED UP TO GREEN ENERGY

We continue to focus on green energy in our offices.

MEASURES TO REDUCE ENERGY CONSUMPTION

The replacement of lighting takes into account the installation of **new lighting with LED technology**. In addition, motion sensors have been installed in the new Bilbao offices in meeting rooms, offices, workstations and bathrooms.

In 2024, thanks to Neinor Homes awareness campaigns, we have managed to reduce use by 12.19% compared to last year.

DUAL-SCREEN WORKSTATIONS

The addition of more dual-screen workstations **avoids unnecessary printing.**

PAPERLESS POLICY

A company-wide paperless policy was established in 2017, with recommendations to **reduce paper consumption.**

Dual screen at each workstation

Sharing documents in digital format

Possibility of submitting Board documentation via tablets, avoiding the need to print out all the documentation

Default option on computers for double-sided printing

Using recycled paper for certain documents

Thanks to our firm commitment to environmental sustainability, these actions have improved environmental indicators and raised awareness in Neinor Homes offices. In **2024**, we achieved a **12.19% reduction** in energy consumption compared to the previous year, registering a total of **216,025 KW** compared to **246,031 KW in 2023**.

However, paper consumption increased by **13%** compared to the previous year due to an **increase in legal documents, sales contracts, leases, deeds, and agreements**; despite digitising all these processes, there are still situations in which a printed version is required for signature or legal validation. We have gone from **spending 2.00 to 2.84 kg of paper per employee in 2024.** Total companywide consumption has **been 1,564.8 kg, 652** packages (647 packages in 2023).

Neinor Homes is strongly committed to sustainability and the environment. For this reason, it has adapted all its facilities to facilitate the recycling of all kinds of waste. It also complies with current legislation regarding the management and treatment of materials **such as confidential paper, fluorescent tubes, toner, batteries and sanitary products**, using an external company specialised in the collection of each type of waste in its offices.

The company remains committed to reducing its environmental impact. In 2023, as a result of the change of location of the Bilbao office, there was an increase in the destruction of documentation. However, this was normalised in 2024 and a **76% reduction** compared to the previous year was achieved. This is also thanks to the physical **reduction of documentation, focusing on its digitisation** to improve efficiency and reduce paper accumulation.

102 kg of toner, 5 kg of key metal, 21 kg of batteries and 112 kg of sanitary hygiene products were also recycled, achieving a reduction of **75%** in waste generation and significantly exceeding the previous year's results.

Neinor Homes employees reduced work-related car journeys to **558,197 km** compared to the **617,023 km** travelled in 2023. This effort contributed to lower fuel consumption, representing an expense of **€204,362**. In **2024**, we managed to reduce fuel consumption by minimising travel in personal vehicles and other means of transport.

Finally, water consumption in our regional offices* stood at **around 1,155 m³**, showing a **reduction of 11%** compared to the previous year.

*The water consumption for 2024 associated with the offices whose rent includes the payment of utilities has been estimated on the basis of the actual consumption of the remaining offices and the number of employees in these offices.

**Only the water consumption of the 7 Neinor Homes offices has been taken into account, since that the consumption of the 4 Habitat delegations is not considered material due to its brief period of membership in Neinor Homes (3 months).

COMPARISON OF CONSUMPTION OVER THE LAST THREE YEARS*

	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024
Nº of employees	328	297	283	223
kwh consumed	305,913	282,788	247,327	216,025
Kg paper used	1,500	1,855	1,553	1,564
Paper use per employee	2.10	2.54	2.23	2.84

*Data taking into account only the parent company.

5.7. THE IMPORTANCE OF COMMUNICATION WITH OUR STAKEHOLDERS

Communication at Neinor Homes is the visible face of the work carried out by the company, both at a business as well as corporate and professional level. It is the tool that connects us with society and allows us to publicise our activity while communicating our mission, vision and values.

In this connection, Neinor Homes focusses its efforts on **effective communication that highlights its role in the leadership of the residential sector in Spain and extols its brand attributes**; all with the ultimate goal of **contributing to a change in the sector and generating customer trust and approachability**.

To this end, we have a **360° communication strategy promoted and supervised by Senior Management**, with the **involvement of various corporate areas**, to promote open and bilateral communication with the main stakeholders:

INTEREST GROUP	WHY IS IT RELEVANT?	COMMUNICATION CHANNELS
INVESTORS AND SHAREHOLDERS	Shareholders are an **excellent thermometer** of a company's **confidence** and financial health.	• Shareholders' Day • General Shareholders'Meeting • Investor Relations website • Email communications • Press releases • Corporate and product presentations
CUSTOMERS	Customers are **the raison d'être of Neinor Homes**, which strives to offer them the best service and the highest possible quality in order to achieve maximum satisfaction.	• Neinor Experience website • Neinor Experience app • Development mailbox with personalised attention by NEXT manager • Neinor Store • Communication to clients • Newsletters • Satisfaction surveys • Direct care from Neinor Experience manager • Client´s personal website • Personalized call center with NEXT manager
EMPLOYEES	Employees are **what make Neinor Homes what it is**, so achieving their satisfaction and pride in belonging to the Company is the key to achieving maximum efficiency and being competitive in the market.	• Meetings with the CEO • Work climate survey • Whistleblowing Channel • Corporate Newsletter • Performance appraisals • Inefficiency Channel

SUPPLIERS	Neinor Homes works with a large number of suppliers and they are in charge of carrying out the construction of the housing and a **key element in maintaining high quality standards.**	• Ongoing dialogue • Regular meetings • App to evaluate Neinor Homes • Building committees • Supplier evaluation • Third party code of conduct
SOCIETY	Neinor Homes' activity has a significant impact on society, creating **direct and indirect jobs, and contributing to the social and economic development** of the places where the developments are located.	• Corporate website • Dissemination of press release on our corporate and product milestones • Interviews and statements by our spokespersons in the media • Participation in sectoral forums and associations • Work with universities and associations • Participation in fairs and events • Social media

In addition, communication continues to be boosted through **social networks**, generating higher quality content on a fixed and regular basis, as well as through the internal communication channel with employees. Finally, the company continues to increase the presence of various company spokespersons at **events and forums in the sector**, thus reinforcing Neinor Homes' leading position in the market.

Neinor HOMES

EN LAS REDES SOCIALES

LINKEDIN	FACEBOOK	INSTAGRAM	TWITTER	YOUTUBE
54,394 followers	**11,000** followers	**15,100** followers	**3,711** followers	**1,700** followers

5.8. SOCIAL ACTION

At Neinor Homes we continue to be committed to our employees and those who work with us, to society and to the planet.

Neinor Homes, aware that a sustainable company must be economically, socially and environmentally sustainable, and with its actions based on good governance, has taken the **17 Sustainable Development Goals (SDGs)** of the United Nations as a benchmark to define its Sustainability Plan, and therefore the social action to be pursued, with the conviction that the actions and cooperation of everyone - company, employees and those working with it - is essential.

In line with the SDGs and in compliance with the provisions of our Strategic Sustainability Plan, the social actions carried out by Neinor Homes in 2024 have sought to reach as many stakeholders as possible, focusing on having **the best possible impact on our employees, our customers and society.**

OUR EMPLOYEES

To talk about social action, we believe that you have to start by talking about how you treat your employees or how you care for them, which is why we have put the focus of our social commitment on Neinor Homes' main asset: its workforce.We have encouraged various activities focused on improving their wellbeing, their work-life balance, promoting health, sport, a healthy lifestyle, teamwork, solidarity and their involvement in caring for the environment and leading a more sustainable lifestyle.

Some of these are detailed below:

- **Family and work-life balance**, understood as a means to achieve equality, is another of Neinor Homes' priorities. In addition to the measures already in place and implemented in terms of job quality, work and time flexibility (such as teleworking, which has increased this year), family support, personal and professional development, the Equality Plan approved in 2023 was added, which is a guarantee of equal treatment and opportunities between women and men, as well as the elimination of discrimination.
- Neinor Homes encourages and pays for its employees to register for various sporting events to **encourage team sports and to support and help various social causes and charities.**
- Neinor Homes collaborates with Wellhub (formerly Gympass) which offers our employees a **physical and mental wellness programme** with access to multiple gyms,psychological care,therapy, personal trainers and nutritional apps at below-market prices.
- **Fresh fruit in the offices.** With the aim of creating better eating habits among our employees, fresh fruit for the week is distributed every week in each of the Neinor Homes branches.
- **Corporate gifts of solidarity**.This 2024, as a Christmas gift, Neinor Homes employees received unique hand-painted notebooks from the Bilbao workshop of **Nahiarte, a space for artistic creation that offers a personal and professional development programme for people with mental and/or intellectual disabilities.**
- It encourages its employees to contribute to caring for the environment, which 'is everyone's business'. Initiatives such as: the installation of new recycling bins in the offices to try to reduce the number of wastebaskets and bags, and thus facilitate the cleaning work of the cleaning staff.

Moreover, in this area, we consider it essential to protect and safeguard health and safety, which we also pass on to **our suppliers** with a clear motto of no accidents on our sites, which we explain later in this report.

OUR CLIENTS

- Neinor Homes has reached an agreement with **Papernest**, a comprehensive management platform where customers can manage all the utilities/supplies of their new home in one click, one call, at no cost and with preferential times. In this way, Neinor Homes **provides customers with a free sign-up service designed to facilitate their experience and save them time and effort.** When the time comes to hand over the property, the customer does not have to worry about arranging for these services, as they have the following benefits:

    > **The best price and without a fixed-minimum contract:** Endesa, Total Energies, Holaluz, etc.
    >
    > A f**ast sign-up process** instead of having to spend an average of 8 hours on the phone to deal with all the necessary formalities.
    >
    > **Faster activation** of household meters. This will allow the active and available supply to be available sooner.

- Sign-up and contract with Hobeen, a company focused on home energy management, which, through the use of physical and digital devices, allows our clients to:

    > **Analyse their energy** consumption by hours, days, type of device with the highest consumption.
    >
    > Be able to carry out an **energy audit,** to analyse whether the power, contract and type of tariff is adapted to the customer's needs.
    >
    > Provision of a **comparative study of offers** from supply companies
    >
    > **Information** on the hours of the day when the electricity tariff is cheapest.
    >
    > Training and energy **saving tips**.

This way of dealing with our customers led to us being **chosen in 2024, for the second consecutive year, as 'Real Estate Developer of the Year' for our customer service in the pre-sales area**, in the 14th edition of the 'Customer Service of the Year' competition.

Neinor Homes is involved in social initiatives and solidarity movements:

- In cases where a tragedy occurs, such as a war, an earthquake, floods, etc., Neinor Homes launches initiatives for its employees to collect funds in order to alleviate as far as possible the consequences of these phenomena. The contributions of employees, which are sometimes even multiplied by the company.

- Neinor Neinor Homes encourages solidarity among its employees by **collecting money to help the people of Valencia affected by the storm that flooded and destroyed several municipalities in the region,** pledging to match the amount raised by the entire workforce. The amounts donated were used to provide direct aid to the victims to cover their basic needs and for renovation work, with a special focus on those of our customers who were particularly affected, as in the case of the Neinor Homes development in Paiporta Homes, where we have collaborated in reconstruction and the provision of basic services.

- **Our continued participation in the Gavi Programme, the Vaccine Alliance through the "la Caixa" Foundation** through donations every year, to fight child mortality, save children's lives and protect the health of the most vulnerable populations.

- Neinor Homes, in addition to **paying for the registration of employees and their families and sponsoring the I MARCHA Quince** - Por el Autismo (Fifteenth Walk for Autism), collaborates with the Foundation by making a donation to the Quinta Foundation and the CEPRI School, which are focused on helping autistic people, understanding autism, and sharing life with autistic people, bringing us closer to their reality.

- Working with the **FUNDACIÓN DEPORTE Y DESAFIO** (Sport and Challenge Foundation) through participation in a charity dinner with which this sports community will be able to help young people with functional diversity to show themselves and others that they can go further, and whose work is to guide and support, fostering the autonomy and personal empowerment of each individual.

- **Working with the A LA PAR Foundation, hiring and incorporating people with intellectual disabilities from the Foundation into Neinor Homes' activities**. The A LA PAR Foundation has more than 75 years of history responding to the challenges and needs of this group. Working for the rights and opportunities of people with intellectual disabilities in our society, designing support where they encounter barriers. In 2024, Adrián was hired for the Madrid office, filling the Receptionist position during the holidays of the staff in this department.

- As in previous years, **Neinor Homes made a donation in 2024 to the Hospital San Joan de Déu**, a non-profit organisation and world-renowned centre for paediatrics, obstetrics and teaching that combines scientific advances with the more human side of care. Neinor's contributions have made it possible to cover the costs of carers and entertainers, so that no child with a serious illness will be alone in their room. In addition, the hospital is located in Esplugues de Llobregat, where Neinor Homes is very active, developing more than 800 homes.

IN THE AREAS WHERE WE ARE PRESENT

In line with our Sustainability Plan, and with the integration of the community and territories in which Neinor Homes has offices or in the places where it carries out its activity, it continues to carry out actions aimed at fostering and promoting links with these areas, as well as the development of their communities. A clear example of this is Neinor Homes' sponsorship of the **Eibarrés cycling club**, through which, as in previous years, it has sponsored various cycling races and events organised by the club, the main objective of which is to promote cycling at all levels. Or with the collaboration of and support for associations and foundations located in the developer's areas of activity such as: Las Rozas (I MARCHA Quince - FOR AUTISM) and Esplugues de Llobregat (Hospital San Joan de Déu).

- Sponsorship of various **sports and cultural activities**.

  > **In the Alovera area (Guadalajara)** where Neinor is building residential developments and for integration with the community through sponsorship of the children's team of the Alovera Athletics Club and participation in cultural workshops at festivals.

- Voluntary c**ooperation to encourage and promote sport and its values**: It collaborates with and supports the **'Osos del Pardo' Rugby Foundation (Madrid)** in its children's categories**.**

- **Sponsorship of the Bilbao Chamber of Commerce t**o promote and improve the business fabric of the Bilbao area.

Economic and social development / Resilience: In these rather economically unstable times, the **greatest social value that the company contributes is its own viability, because if it does not exist, neither does its ESG**. In this connection, it is worth highlighting the organic growth that the company has experienced, as a result of its exceptional results that generate enormous value to the environment, giving positive results every year and increasing them from one year to the next, which is vital for the creation of direct and indirect employment (one of the major problems nationally).

the greatest social value that the company contributes is its own viability, because if it does not exist,neither does its ESG.

In addition to this organic growth, Neinor Homes has also grown inorganically through the acquisition of other companies in order to diversify the business (SDGs 8 and 11), ensuring activity by creating the construction line and to consolidate existing business lines to ensure the continuity of its activity:

RENTAL[1] With the consolidation of a large portfolio of homes for rent (both its own and acquired through corporate transactions) and the integration of the company Renta Garantizada (acquired in 2020).

CONSTRUCTIÓN. The acquisition of Quabit has allowed us to incorporate all its experience in the construction business into our Neinor Wors line.

ESSENTIAL[2]. We have created a line of housing that is accessible to more social groups.

PUBLIC-PRIVATE PARTNERSHIP for the construction of social rental housing in Barcelona.

EXPANSION OF THE LAND PORTFOLIO through the acquisition of Quabit and other corporate transactions.

JOINT VENTURES for the development through co-investment of developments for sale, rental, senior living, noteworthy in 2024 being the corporate operation of entering the capital of real estate company Habitat, with Neinor Homes taking over its overall management.

[1] Extended in section 5.3

[2] **Housing at affordable prices** for groups with difficulty in accessing housing and offering housing **for less than €200,000**, reinforcing this type of housing.
- **ESSENTIAL**: Unsubsidised housing
- **Subsidised housing**

06

OUR BUSINESS IS BASED ON A **MODEL OF RESPONSIBLE GOVERNANCE**

At Neinor Homes when we talk about **Corporate Governance we are talking about people and decisions**, with the understanding that these people are the right people and that they take the right decisions. We firmly believe that how we do things determines who we are and who we want to be. That is why we are governed by ethical, upright and transparent performance standards, so that our words are consistent with our actions.

6.1. PRINCIPLES OF CORPORATE GOVERNANCE

The company understands corporate governance to be the set of mechanisms at the service of generating value in a simultaneous and sustained manner for all of the organisation's stakeholders. Therefore, Neinor Homes carries out its activity in a **transparent and responsible manner, with good corporate governance** as one of the objectives of its Sustainability Policy.

The aim is to provide an efficient response to one of the aspects that arouses most interest among investors, shareholders and other companies in the sector. Good corporate governance is a key trend nowadays, and **stakeholders** are increasingly **demanding more information** on various related aspects, to which Neinor Homes **responds in different ways**:

Neinor Homes is the benchmark in the real estate sector in terms of good governance and responsible and sustainable management.

- Measures implemented in the **fight** against **fraud** and **corruption**
- Evaluations carried out to **measure** the **functioning** and **management** of the bodies of **government**
- **Financial transparency** on the business model
- **Feasibility** of the company and its **longterm** purpose
- **Sustainability and** responsible **impact** on people and the environment

In addition, Neinor Homes monitors all good governance recommendations and trends, orienting its practices to achieve the highest standards of compliance and competitiveness. A regular **corporate governance diagnosis** is also carried out, analysing, among other aspects, compliance with the **CNMV's Unified Code of Good Governance**.

GOOD GOVERNANCE REGULATIONS AND POLICIES

- Articles of Association
- Internal Audit Function Articles
- Code of Ethics
- Third Party Code of Conduct
- Code of Good Practice in Real Estate Brokerage
- Anti-Corruption, Fraud and Bribery Policy
- Diversity and non-discrimination policy
- Book of good practices in Health and Safety on construction sites.
- Occupational Health and Safety Policy
- Regulations of the General Shareholders' Meeting
- Internal Code of Conduct for Securities Markets
- Rules of Procedure of the Compliance Function
- Rules of operation of the Electronic Shareholders' Forum
- Corporate Governance Policy
- Sustainability Policy
- Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors
- General economic-financial and corporate communication policy
- Internal manual for the disclosure of privileged and other relevant information
- Human Rights Policy
- Tax Risk Control and Management Policy. Adherence to the Tax Agency's Code of Good Practices
- Director Selection Policy
- Remuneration policy for members of the Board of Directors
- Sustainable Investment and Financing Policy
- Treasury Stock Policy
- Tax and good tax practices policy
- Conflict of interest and related party policy
- Policy on non-audit services to be provided by the auditor
- Employment policy for former auditors
- Corporate criminal liability prevention model
- Equality plan

All the policies we develop are based on an in-depth study and analysis of our needs and the regulations in force, and are developed with a focus on continuous improvement. In this sense, most of them are published on our website, where anyone interested can consult their detail, depth and description, as well as the associated responsibilities and elements.

6.2. GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the **highest decision-making and control body** of Neinor Homes in the matters within its competence, through which the shareholder has the right to intervene in decision making.

The convening, preparation and conduct of the General Shareholders' Meeting is governed by the **Regulations of the General Shareholders' Meeting**. All of this in turn is subject to the provisions of current legislation and the **Articles of Association**. All shareholders have the **right to attend** the General Shareholders' Meeting irrespective of the number of shares held and all have the **right to vote**.

The Board of Directors of Neinor Homes has informed the GRC, Internal Audit and ESG Management, as well as the Investor Relations Management that **one of its main objectives is to increase shareholder participation in the AGM**.

On 17 April 2024, the **seventh General Shareholders' Meeting of Neinor Homes was held with a quorum of 70.13% of the share capital** (0.63% present and 69,49% represented). **All the items (11) on the agenda were approved with a percentage of votes in favour of more than 98%**, except for two items corresponding to the modification of the remuneration policy and the annual remuneration report, which were approved with a percentage of 88.31% and 96.31% votes in favor, respectively, which shows the support of the shareholders for the decisions of the Board of Directors put to the vote.

We must highlight the support of the General Shareholders' Meeting for the company's track record in sustainability and good governance,

> with the examination and approval of the non-financial information statement and sustainability report for 2023 being one of the items with the highest percentage of approval at the General Shareholders' Meeting, with **99.98% of votes in favour**, making it the non-financial information statement with the highest support among all listed companies in Spain.

The Shareholders' Meeting was broadcast live on the corporate website and could be followed later in streaming on a delayed basis. In addition, all the documents generated from it have been posted publicly on the website.

Neinor Homes also has an **Electronic Shareholders' Forum** where proposals for inclusion on the agenda or **offers or requests for voluntary proxies can be posted.**

On 18 December 2024, the Extraordinary General Shareholders' Meeting was held, at which it was agreed to reduce the company's share capital in order to return contributions to shareholders by reducing the nominal value of the shares and redeeming treasury shares, and consequently amend Article 5 of the Articles of Association, thereby increasing the maximisation of the return to the company's shareholders.

Moreover, during the 2024 financial year, the company published various memorandums of inside information and other relevant information to show the most important milestones of the 2024 financial year, such as the dividend distribution agreements, compliance with the strategic plan, the issuance of a second green bond for 325 million or the 10% stake in the company Habitat, in which an agreement was reached to transfer the management of the entire company to Neinor Homes, which **will act as Delivery Partner Manager**, supervising the design of the projects, the granting of licences, their marketing, their construction and all back-office areas.

POWERS OF THE GENERAL SHAREHOLDERS' MEETING

Approval of company management

Approval of the annual accounts, both individual and consolidated

Appointment and dismissal of the members of the Board of Directors and ratification or their appointments

Appointment and remova of the company's auditors

Agreement on the increase and the reduction of share capital

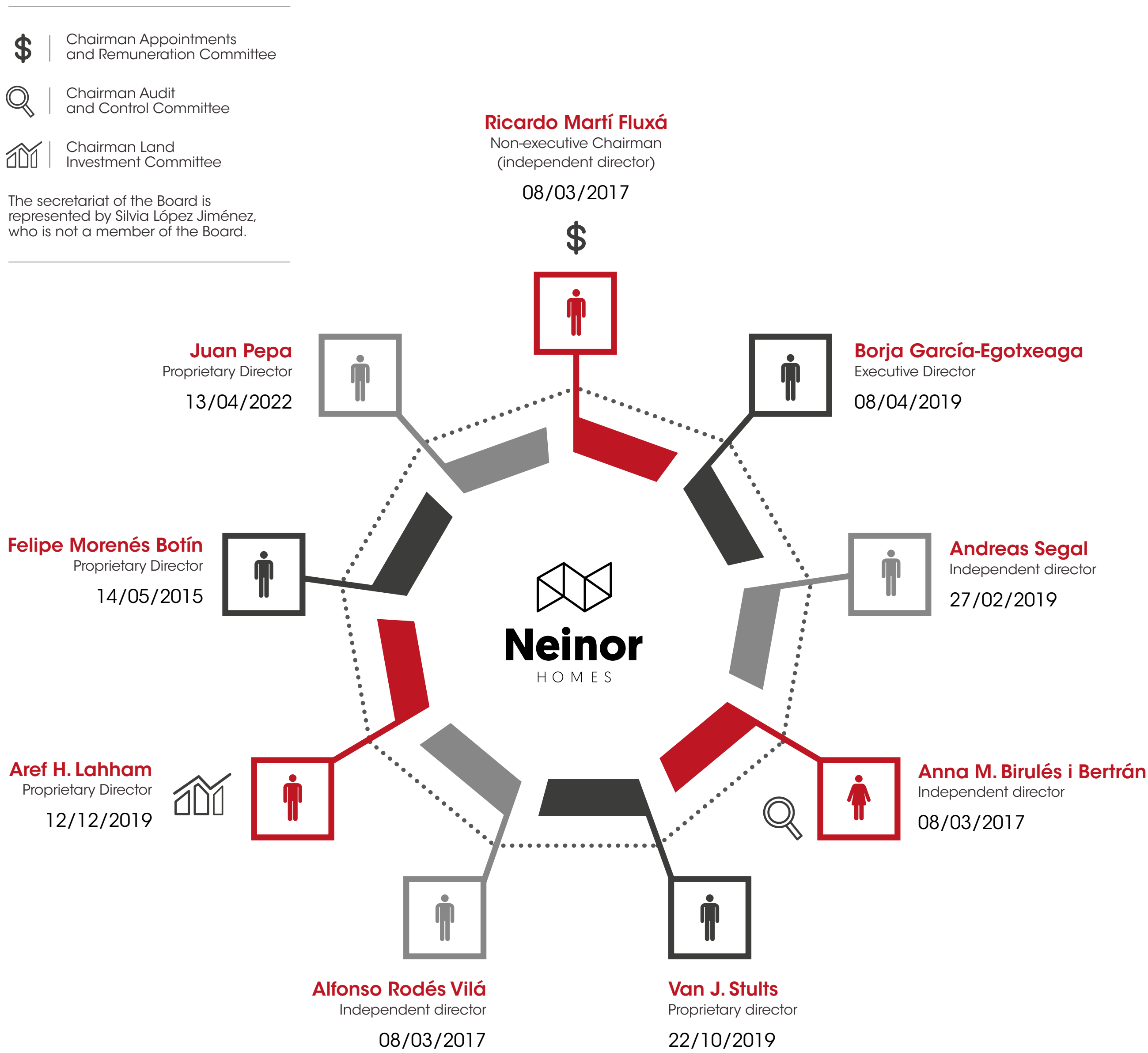
6.3. BOARD OF DIRECTORS

The Board of Directors is the highest governing body within the company and has **the broadest powers and authority to manage, direct, administer and represent** Neinor Homes. It therefore approves the company's strategy and general policies. Its functioning is governed by the **Regulations of the Board of Directors and byte Articles of Association.** The Board of Directors **meets as often as is convenient** for the proper performance of its functions, at least every three months. In 2024 the Board of Directors met on 15 occasions, and on 4 of these, ESG issues were dealt with.

At the 2024 close of business the composition of the Board was as follows:

44%
INDEPENDENT DIRECTORS

11%
WOMEN



Neinor Homes **evaluates the quality and efficiency in the functioning and performance of its Board of Directors and its respective Committees** on an annual basis, following the best national and international market practices. Once every 3 years, the Appointments and Remuneration Committee is assisted by an external expert in carrying out this evaluation, as was the case in 2020 and also that carried out in this exercise.

In the 2024 financial year, the Board and its committees were evaluated internally.

The conclusions of the external and internal evaluations of previous years were very positive, with the following paragraphs being expressly mentioned:

> *"Following the analysis of the results of the self-assessment process carried out by PwC through interviews with the directors, the analysis of the documentation and internal regulations, as well as the comparative analysis, the efficiency and proper functioning of the Governing Body of Neinor Homes is generally reflected, with a very positive assessment obtained in relation to the following aspects':*
>
> - Board structure, diversity of its members, internal functioning, decision-making processes, interaction with senior management, compliance policies, functioning and evaluation of committees, performance of the Chairman, CEO, Board secretary and GRC and Internal Audit Management.
>
> *"Neinor Homes maintains a solid governance model, a Board of Directors characterised by its unity, activity and dedication, with high professional and human values, which treasure complementary knowledge and experience that allows them to enrich debates and contribute to the correct and efficient functioning of the various governing bodies'.*

In all the evaluations of the Board carried out both internally and externally, with the exception of diversity in terms of the presence of the gender with the lowest representation, the company has **achieved evaluations well above its competitors and in line with the best international** companies in terms of corporate governance.

Similarly, in the 2024 financial year, some opportunities for improvement were identified, such as the opportunity to work on gender equality within the board, to increase the detail and depth of the Succession Plan, to continue increasing training for the board, to monitor the results of the JVs created in which Neinor participates and, if the opportunity arises, to increase the percentage of independent directors on the Board.

In all the previous years in which an internal evaluation has been carried out, a multiple work approach has been followed with the aim of obtaining **greater visibility and objectivity**.

1

Review by internal audit of documentation and **internal functioning**, as well as measurement of the level of dedication, commitment, involvement and knowledge of the directors and analysis of the fulfilment of responsibilities.

2

Conducting a **self-assessment**: The Directors themselves evaluated and give their views on the effectiveness of the Board's performance and functioning, through anonymised questionnaires of questions prepared specifically taking into account the situation of the company and the director taking the questionnaire.

3

Conducting individual interviews: In addition to the self-assessments, individual interviews were also conducted with the four independent Directors to further enrich the evaluation results. The interviews lasted one hour, were conducted mainly through virtual meetings and the views and comments shared by Board members have been treated anonymously.

4

Corporate Governance Benchmark: Comparative analysis of Neinor Homes' Corporate Governance practices, with the aim of identifying the level of alignment of Neinor Homes' corporate governance practices with the main standards:

- **National standards,** set against the performance of comparable companies in the sector and benchmark companies in the field of good governance, as well as against the Good Governance Code of listed companies (CNMV).
- **International standards,** analysing the degree of alignment with the governance issues most in demand by major institutional investors and the main concerns of proxy advisors.

5

Diagnosis of the company's situation in terms of Good Corporate Governance based on the conclusions obtained throughout the evaluation process.

In this exercise the evaluation has been based on the experience of our team in corporate governance, knowledge of the company, comparison with regulations, review of other companies, analysis of meeting minutes, attendance at some Committee meetings, analysis and review of the documentation presented and conversations with the members of the Council.

The areas of review that have been considered have been:

Compliance with good practice

Analysis of the tone at the top, awareness of and interest in, on the part of the Board and its Committees, ethics, compliance, transparency and continuous improvement for the implementation of best practices in corporate governance.

Board Trainings

Diversity

Analysis of the number of women on the Board and its Committees. Number of foreign members on the Board and its Committees.

Experience and expertise of directors

- Analysis of the directors' sector experience based on the information contained in their CVs.
- Analysis of experience in Corporate Governance based on the number and type of Boards on which they participate other than that of Neinor Homes.
- Analysis of the training given to directors, within the framework of their membership of the Board and its Committees, in sectorial aspects and Corporate Governance.

Succession of directors

Analysis of the existence of a succession plan for the CEO and other directors.

Quality and availability of information

- Analysis of the level of adequacy and quality of the information supplied to directors for decisionmaking.
- Analysis of the availability, in due time and form, of the information supplied to the directors for decision-making.

Operation

- Analysis of the planning of the calendar of meetings and of the actual meetings.
- Analysis of the time taken to send out notices of meetings, as well as the agenda for the sessions.
- Analysis of the duration of meetings of the Board and its Committees.
- Board Effectiveness.

Composition

- Analysis of the number of members of the Board and its Committees.
- Analysis of the number of directors by type: executive, proprietary, independent and other external.
- Analysis of the number of years in office of each director.

Liaison with Senior Management and/or external parties

Analysis based on the information in the minutes of the Board and its Committees of the participation of General Management and/or external auditors in the meetings of the Board and its Committees without the presence of the CEO.

Dedication / involvement of board members

Analysis of the number of absences of directors from meetings of the Board and its Committees, also considering the analysis of non-executive directors in accordance with Art. 11a) of the Regulations of the Appointments and Remuneration Committee.

Remuneration of directors

Analysis of the use of comparative market studies carried out by external experts on directors' remuneration.

Evaluation of the different commissions

BOARD TRAINING

Neinor Homes has defined a **training plan for its Board of Directors and its Committees**, in which offers a programme of update of knowledge for its directors. During 2024, the directors have received training on the following:

- ESG strategy and sustainability regulations.
- Macroeconomic situation and evolution of the real estate sector.
- Artificial intelligence. Introduction into the real estate sector.
- Prevention against money laundering and terrorism financing.
- **Regulatory update**: Technical Guide 1/2024 on Audit Committees of public interest entities.

DELEGATED COMMITTEES OF THE BOARD OF DIRECTORS

For **greater efficiency in the exercise of its functions**, the Board has the following delegated committees, the functioning of which is governed by the Regulations of the Board:

BOARD OF DIRECTORS

STEERING COMMITTEE

Composed of the CEO, all directorates general, the territorial directorates and the head of the legal division.

Audit and Control Committee [1]

- Monitor financial and non-financial reporting.
- Monitor and evaluate compliance with the Sustainability strategy and practices.
- Monitor the effectiveness of internal control.
- Propose to the Board of Directors the appointment of the auditors.
- Review the adequacy and effectiveness of the Company's arrangements for its employees and contractors to report any possible irregularities.
- Oversight of the crime prevention model.

Appointments and Remuneration Committee [1]

- Assess the skills, knowledge and experience required on the Board of Directors.
- Establish a representation target for the underrepresented gender on the Board and develop guidance on how to achieve this target.
- Propose to the Board of Directors the remuneration policy for directors.

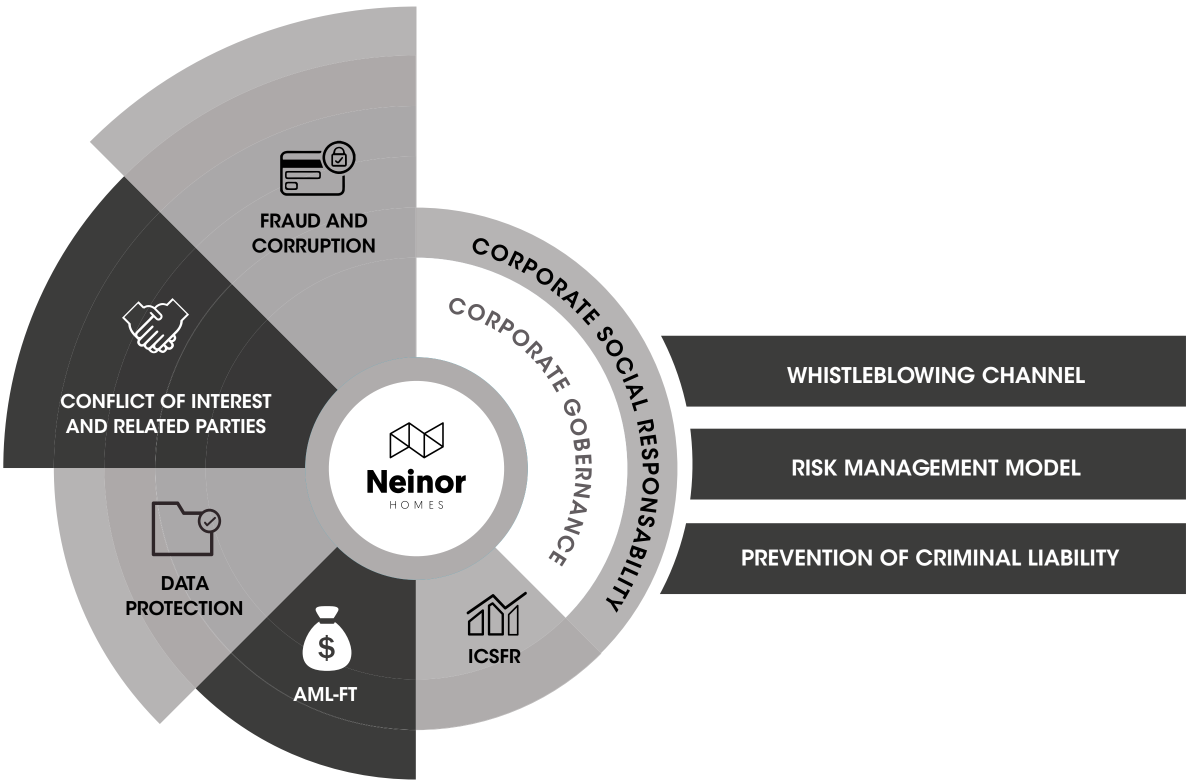
Land Investment Committee

- Define overall investment policies and strategies, investment objectives.
- Evaluate and take the final decision on the possible acquisition of real estate assets, property developments and the financing thereof.
- Analyse and monitor the company's investment performance results in relation to investment strategies, objectives, policies, standards and constraints,

[1] Bodies in which the majority of its members are Independent Directors.

6.4. A COMPREHENSIVE CONTROL, COMPLIANCE AND ASSURANCE MODEL

Neinor Homes has developed a **comprehensive Control**, **Compliance and Assurance model**, also called **Combined Assurance**, based on best practices in the sector and other sectors, which is a system that allows the **integration and alignment of assurance processes** so that senior management and the audit and supervisory committees obtain a **comprehensive and holistic view of the effectiveness of the governance, risks and controls** of their organisation. At the same time, it allows for **prioritisation and identification of necessary actions**.



With this system, a new integrated organisation chart was developed for the Audit, Risk and Compliance functions. With this, everything is subject to the same Governance, Risk and Compliance Management (GRC) and the main priority is the **integration of the Corporate Social Responsibility strategy** in the business, thus achieving an increase in its exposure and dissemination. With all this system, it is possible to **respond to the expectations of stakeholders,** to the requirements of legislation in terms of good governance policies and to the need to be based on an effective and dynamic risk management system.

Furthermore, thanks to the effort and excellent work of Neinor Homes` Control of Management and Controllers team, the internationally prestigious Global Chartered Controller Institute (GCCI) awarded it the **'Excellence in Innovation in Management Control Award"**, helping to position the company as a benchmark for the transformation of the real estate sector in Spain.

This comprehensive model also establishes an **internal regulatory framework**, establishing a series of specific management models for each area (fraud prevention, anti-money laundering, ICFR, conflicts of interest and data protection and privacy) which in turn define policies, procedures and responsibilities.

MODEL	POLICIES/RESPONSIBILITIES
FRAUD AND CORRUPTION PREVENTION MODEL	• Spending and reporting policy • Ethical channel management procedure • Supplier Selection, Approval and Evaluation Policy • Code of good practice for real estate brokerage • Code of Ethics • Monitoring and Control Committee • Code of Conduct for Third Partie • Complaints channel and log • Gift policy and log
ANTI-MONEY LAUNDERING MODEL	• AML/CFT Manual • Internal Control Body • Specific AML Unit • Practical guide to AML • KYC files: natural and legal person • Trade Compliance Form and Questionnaire • AML procedure for management of unique assets and retail • AML procedure for management of new builds • External audit
INTERNAL CONTROL SYSTEM FOR FINANCIAL REPORTING	Adaptation of the information to the contents required by the CNMV (matrix of risks and controls of the processes in operation and responsibilities assigned, accounting policies manual, evidence repository, among others).
CONFLICT OF INTEREST AND RELATED PARTIES MODEL	• Conflict of Interest and Related Party transactions log • Review and approval of related-party transactions • Reporting to the Board and the Audit and Ratification Committee • Conflict of interest and related party transactions policy • Communication channel for transactions
DATA PROTECTION AND INFORMATION PRIVACY MODEL	• Privacy Policy • Incident Management Procedure • Stakeholder Rights Procedure • ISMS Procedure • Personal Data System Management Procedure Committee • Personal Data Privacy and Regulation • Procedure for personal data processing life cycle • Regulator consultation procedure • PIAC procedure • Information Security • Communication Channel Policy

CODE OF ETHICS

One of the commitments and essential values for Neinor Homes in the area of good corporate governance is to **act in accordance with the strictest corporate standards in relation to ethics and transparency**, ensuring and demanding that all staff, members of the governing bodies and related entities act in accordance with the company's ethical principles and moral criteria.

In 2015, Neinor Homes approved the **Code of Ethics**, which establishes the ethical principles, values and rules of conduct that should guide the actions of all companies and individuals that form part of the company and its third-party collaborators. For this reason, all employees receive regular in-person and online training on the Code, as do some suppliers.

In addition, in 2017 the **Code of Conduct for third parties** was approved, which defines the highest ethical standards that must be met by all **third parties that provide any type of service to Neinor Homes**, and the company undertakes to publicise this Code. The **principles and values** contained therein are based on best market **practices** and the **principles of the United Nations Global Compact**.

Neinor Homes ensures compliance with human rights in all areas related to our business. To mitigate the risk of human rights vulnerability we have published on our website a code of conduct for third parties that our suppliers or subcontractors must accept and comply with, our Code of Ethics, which includes the principle of managing human rights vulnerability and the complaints management procedure which describes how to manage complaints or claims received through the company's whistleblowing channel.

In addition, we regularly review our ethical values and related policies and codes, as well as our other compliance and corporate governance policies, to ensure that they are always up to date.

WHISTLEBLOWING CHANNEL AND MANAGEMENT PROCEDURE

In 2022, Neinor Homes completely renewed its Whistleblowing Channel both to comply with regulations, with the entry into force this year of European Directive 2019/1937, and to address certain aspects of improvement detected, being more useful and secure for anyone who wants to report possible irregularities or conduct that goes against the Company's code of ethics, allowing completely anonymous communications, without the need to enter any personal data on the part of the reporter.

Although the channel is managed internally, its data is hosted on an external, thirdparty encrypted server, shielding the security of the communications received.

This communication system helps to detect and prevent risks and violations at an early stage, before they can materialise and impact the company. In this way we are also promoting a strong compliance culture inside and outside the company, in line with our Code of Ethics.

Ethics Line | Neinor Homes

The GRC, Internal Audit and ESG Department is responsible for processing and managing the complaints received, ensuring strict compliance with the Code of Ethics and promoting the use of the Whistleblowing Channel. Mechanisms are in place to ensure impartiality in the event that communications are received about the GRC Management or persons or bodies with responsibility for it.

The Board of Directors is regularly informed about the management of **complaints through the Audit and Control Committee.** In 2024, no complaints were received areas related to human rights violations, and most of the communications dealt with issues that affected our clients when purchasing their home or after purchasing it, which were included in the complaints that are allowed to be reported in accordance with the channel management procedure. All complaints were dealt with in the manner and within the deadlines established in the channel's management procedure.

During the financial year, a complaint was received relating to a possible case of workplace harassment, which was referred to an Investigative Committee following the Action Protocol against Harassment. This committee determined that no harassment had taken place, and proposed certain measures aimed at building a good working environment and resolving the situation in a friendly manner.

Neinor Homes refrains from working with third parties who do not comply with the provisions of the Code of Conduct, reserving the right to terminate the business relationship with those who fail to comply with any of the stipulated points.

Mandatory **training** is given to all Neinor Homes **employees** on an annual basis to guarantee knowledge and encourage the application of all the regulations and internal tools in force in the ethics and transparency area.

In 2024, 100% of Neinor Homes employees and those of the subsidiaries Quabit Construcción and Renta Garantizada received this compulsory annual training, which on this occasion was carried out asynchronously and concluded with a written test.

In addition, all Neinor Homes employees received optional training on developments in ESG and related regulations, introduced by the CEO and delivered by the GRC and ESG and Product and Innovation managers, which covered topics such as the new European Taxonomy, CSRD and CSDD regulations.

RISK MANAGEMENT MODEL

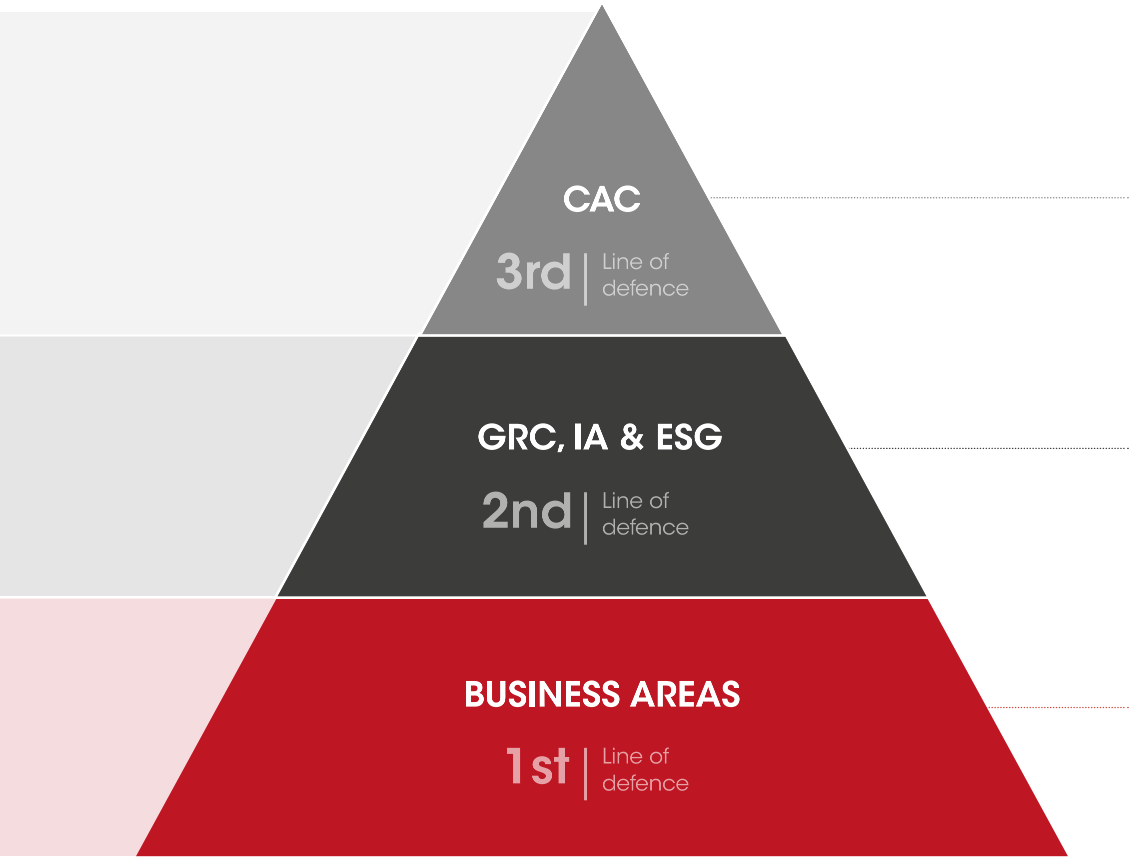
Neinor Homes continuously manages its risks under an **Integrated Internal Control System (ICS)**. This **comprehensive scorecard** associates risks with **strategic objectives**, **processes** and **control activities** in which those responsible for their execution and supervision are incorporated, as well as the evidence that supports the system. The objectives of the ICS are:

- To have a **risk management control and supervision model** inplace to address day-to-day operations and contingencies.
- To **manage risks** in line with the mission, vision and values, focusing action on control and mitigation of those that are most likely to hinder the achievement of the objectives.
- To integrate all compliance, control and business risk environments seamlessly, to **obtain a cross-sectional vision,** which fosters synergies and eliminates duplication of effort.
- **To provide security for the Audit and Control Committee,** streamlining reporting and covering its growing responsibilities.
- **To generate confidence** in the company, the directors and CEO and third parties.

In order for the ICS to have **ongoing updates**, it is essential to have internal and external communication channels and to be able to count on the commitment of all those who make up Neinor Homes. **External updates** are mainly provided by legal experts, advisors, forums, networks and suppliers.

The model monitoring can be summarised in **three lines of defence**:

Neinor Homes has a management model for ongoing and dynamic risks.



The **Audit and Control Committee (ACC)** oversees that the 1st and 2nd lines of defence fulfil their implementation and oversight functions and perform the final validation.

Governance, Risk and Compliance (GRC), Internal Audit and ESG Directorate regularly monitor that the 1st line of defence fulfils its implementation and oversight functions.

The key controls embedded in the ICS are reviewed by the **oversight manager in the various areas of business** to verify that the controller has carried out the assigned activity with the specified frequency.

The **main inputs** to the ICS are **compliance**, **corporate and business risks and controls**.

In 2022, as an essential part of updating its risk map, Neinor Homes has **identified its corporate risks through** an analysis of the company and the real estate sector, taking into account the experiences of Neinor Homes' executives and other external experts in the sector. In addition, in 2023 and 2024, the company carried out a review of its corporate risks, breaking them down into those that had not changed or remained in the initial situation, such as environmental, operational or compliance risks, and those that may have been affected by the market situation and stakeholder expectations, such as financial and market risks, strategic risks and climate change risks, areas in which measures had been taken, which we explain below in the details of Neinor Homes' risk groups.

The Internal Audit Department participates in the risk identification phase, together with the Compliance Department and all the people responsible for risks and controls in the various areas of the company. Neinor Homes has thus classified the various risks to which it is exposed **6 categories**:

1

ENVIRONMENTAL RISKS

Related to the real estate sector and the cyclicality of the business. Correlation of our sector to macroeconomic cycles. Business structure/resources not aligned to changes in the cycle / diversification of activity: Property / 1 Rental / Construction. Administrative impact of the sector. New fiscal and regulatory policies in the sector, land policies, management and licensing periods. Increased construction and land acquisition costs due to higher raw material costs and inflation. Shortage of third parties necessary for the development of our activity, such as construction companies, due to their insolvency. Changes and impact on consumer demand and the environment as a result of climate change.

2

OPERATIONAL RISKS

Management of customer expectations and satisfaction. Excessive dependence on suppliers and sometimes limited capacity of suppliers to provide in due time and form. Loss of business knowledge due to outsourcing of essential services in the value chain. Retention and succession of key persons. Inadequate adaptation to the industrial model. Being alienated from the transformation and digitalisation of the sector. Business stoppages due to external agents.

3

COMPLIANCE AND ETHICS RISKS

Failure to comply with deadlines and quality of homes delivered. Illegal acts / criminal offences established by regulations carried out by the company or its employees. Non-compliance with the rules and regulations to which the company is subject.

4

FINANCIAL AND MARKET RISKS

Management of the capital market and all those related to the fulfilment of the expectations agreed with the shareholder / market. Excessive linkage to the financial sector. Non-compliance with the margins and profit expected by investors and the market.

5

STRATEGIC RISKS

Failure to meet deadlines or cost targets for strategic (not ready for development) land development / and for land acquisition. Asset valuation and lack of discipline, consistency and reasonableness in land acquisition. Failure to meet the sales forecast in the business plan. Lack of diversification of the company's activity in a single line of business. Conflicts of interest in the strategic development and viability of the company in the long term versus expectations of investors and the market with a more short-term vision.

6

CLIMATE CHANGE RISKS

Following the main risks and opportunities identified by the TCFD (Task Force on Climate-related Financial Disclosures) in its recommendations for disclosures on climate-related risks and opportunities for financial institutions and non-financial companies, recommendations that were published in 2017 and are widely recognised internationally as guidelines on the subject. Transition risks (Political/Legal, Technology, Market, Reputation) and acute and chronic physical risks. The nature of the development activity means that Neinor Homes must assess and, where appropriate, mitigate both the risks inherent in the transition to a low-emission economy and those related to the physical impacts of climate change. See note on Environmental Impact in the financial statements.

In the financial years **2023 and 2024,** the **operational update/risk** review was carried out on those risks that the company considered to have undergone a substantial change in impact or probability. Below, we present a brief summary of the change that may have occurred in certain risk groups (considering these risks to be gross or inherent) and the measures taken to convert these risks into residual risks.

Thus, with regard to the first three risk groups, environmental, operational and compliance, although their scope had been affected by the increase in the group's business perimeter, there were no factors arising that affected the management of these risks, so the measures and controls adopted by the company were considered sufficient.

With regard to financial and market risks, there was an increase in investment risk and expectations of profitability for shareholders/ investors, given the reduction in operating margins as a result of increases in production costs that were not usually supported by price increases. This, together with a low stock market valuation with respect to GAV maintained by listed real estate companies, a lack of attraction to investors in the company, with a risk of investors leaving in the short term or liquidation of the company's portfolio.

For this reason, an attractive dividend plan was structured for shareholders, articulated through the company's profits, a lower capital contribution to the projects that we will explain later, a capital reduction and an improvement in the management of financing.

Regarding **financial risks,** reaching the ceiling of the rise in interest rates at the end of 2023, with the consequent greater dependence on credit, worse credit conditions and a worse balance sheet structure motivated by leverage, the company amortised and renegotiated the current debt in the first quarter of 2024 and obtained a new green bond in the last quarter of 2024.

In relation to **strategic risks** and closely linked to the aforementioned investor expectations, an increase in land prices and reduction in operating margins required a greater capital contribution to maintain the business, a situation incompatible with the return via liquidity or value required by investors. Therefore, the company considered a series of measures to ensure effective and efficient growth in the medium and long term, mainly through business diversification (integration of construction, operational management of companies, own and third-party rental, senior living, sales operations and BTR management) and co-investment with other investors and funds through investment vehicles with a minority capital contribution, but with the operational management of these vehicles for residential development and other forms of residence.

As of 31 December 2024, the company considered that the measures taken to mitigate or eliminate both groups of risks had performed satisfactorily in terms of ensuring the company's viability and meeting shareholders' expectations.

In the last two years (31/12/2022 to 31/12/2024), the company increased its stock **market value by 106%** if we look at the valuation of the share and by **143% as total return**, considering this revaluation, increased by the dividends distributed.

Finally, in the 2024 financial year, the company focused on the review and development of climate change risks and global ESG areas, for which it analysed the risks and opportunities arising from various environmental, social and governance issues and sub-issues defined by the CSRD's ESRS 1 standard, in order to anticipate the mandatory report that the company would have to make the following year.

The basis for the preliminary record of the risks and opportunities identified has been identified internally by the company's sustainability department, also taking into account various contributions from ESG consulting companies of recognised standing.

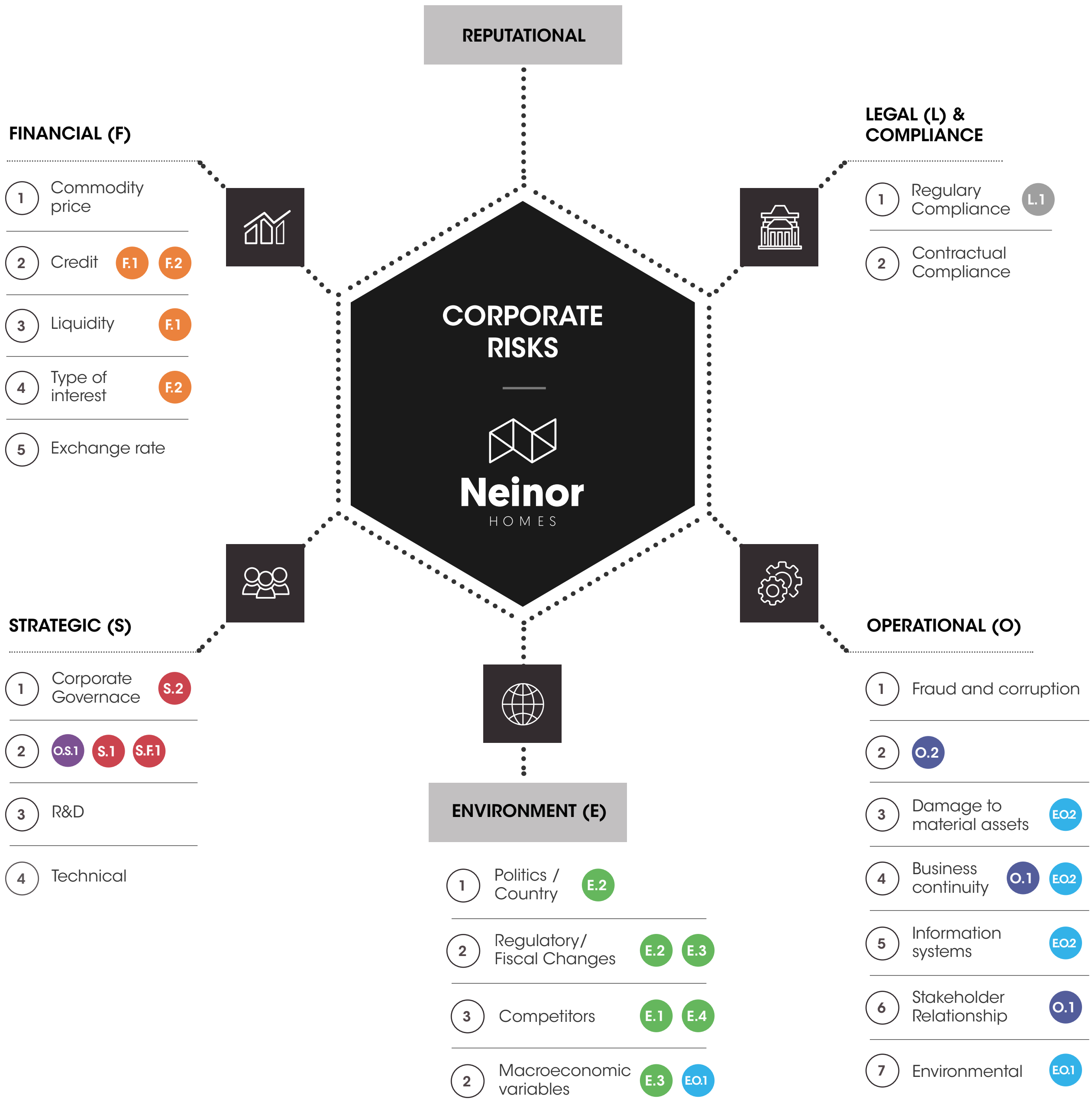
This preliminary analysis was enriched by taking into account the latest market trends, the review of regulatory and environmental disclosure frameworks, and the expectations of stakeholders, who had the opportunity to evaluate sustainability issues and express their opinion on possible issues not considered. Among the regulations and disclosure frameworks, the TCFD recommendations and Law 7/2021, of 20 May, on climate change and energy transition, stand out for the identification and assessment of both physical and transition risks. In addition, the criteria of the main rating agencies, such as MSCI and S&P Global, were considered, as well as Neinor Homes' contribution to the United Nations Sustainable Development Goals (SDGs), allowing the identification of material issues with an impact on long-term sustainability.

The definition of risks and opportunities maintains a close link with the impacts generated by Neinor Homes and its dependence on society and the environment. Therefore, during this process, the relationship between impacts/dependencies, risks and opportunities was mapped, taking into account their origin within the activities of the value chain.This exercise is crucial for defining future courses of action and establishing a well-founded strategic plan, as it allows us to know in which phases the material impacts originate and the nature of the financial effects.

As a result, a total of **76 impacts, 69 risks and 41 opportunities were identified, grouped into 37** sub-themes:

THEME	SUBTHEME
Climate change	Adaptation to climate change
	Mitigation of climate change
	Energy
Pollution	Air pollution
	Water pollution
	Soil pollution
	Substances of concern
	Substances of very high concern
	Microplastics
Water and marine resources	Water
	Marine resources
	Water discharges
	Water discharges into the oceans
Biodiversity	Factors directly affecting biodiversity loss
	Impacts on the status of species
	Impact on ecosystem services and dependence on these services
Use of resources	Resource inputs, including resource use
	Waste
Own workforce	Working conditions
	Equal treatment and opportunities for all
	Other employment rights
Workers in the value chain	Working conditions
	Other employment rights
Affected communities	Economic, social and cultural rights of groups
	Civil and political rights of groups
	Rights of indigenous peoples
Consumers and end users	Incidents related to information for consumers or end users
	Personal safety of consumers or end users
	Consumer preferences
	Social inclusion of consumers or end users
Governance	Corporate culture
	Corruption and bribery
	Whistleblower protection
	Political engagement and lobbying activities
	Management of supplier relationships, including payment practices
Specific to Neinor Homes	Alignment with European Taxonomy
	Cybersecurity

Given that the Integrated Control System (ICS) implemented is a dynamic tool, which aims to provide updated and continuous information on the possible risks faced by the company, Neinor Homes periodically compiles, from the various risk detection sources defined, the events that could become a risk, in order to facilitate their analysis and continuous monitoring and to take measures to remedy them,as well as if appropriate, the incorporation of a control mitigation activity, or the analysis of the effectiveness and efficiency of one already existing within the ICS.

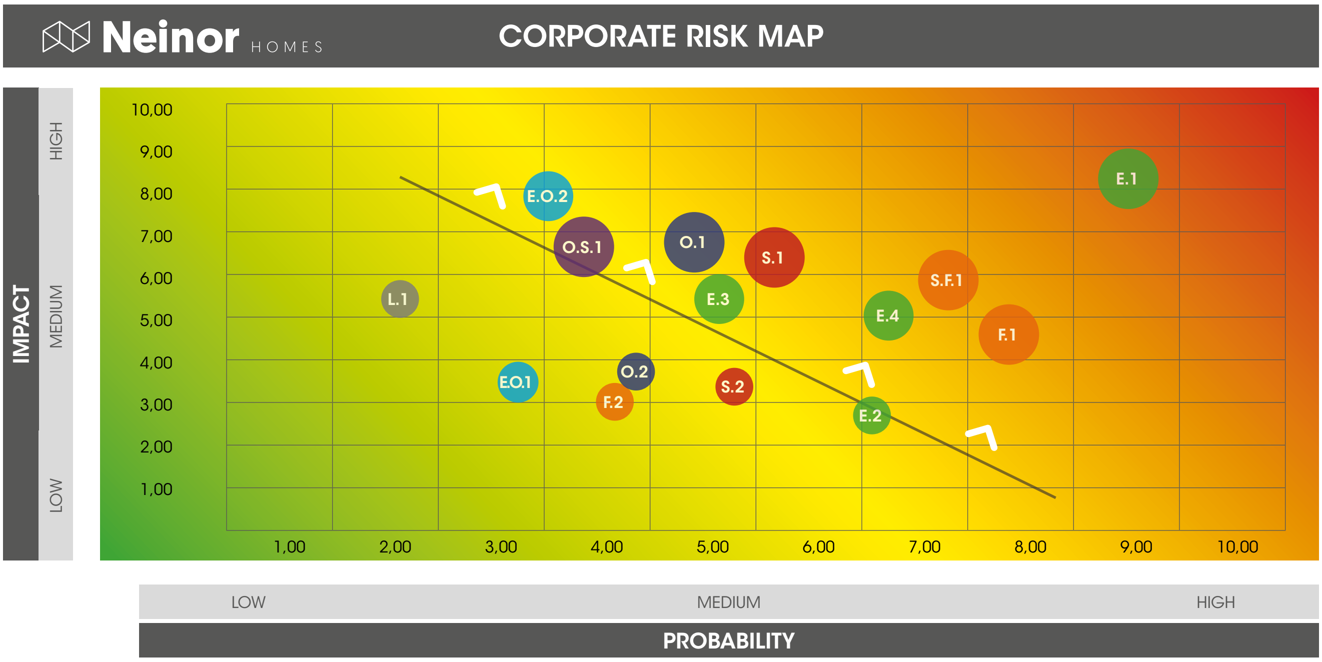


Neinor Homes risk universe (2022).

The Risk Management methodology used by Neinor Homes is based on the latest version of ***"Enterprise Risk Management"*** (also known as COSO III), which enables the contribution of added value through the identification, management and monitoring of business risk management.

As mentioned at the beginning, Neinor Homes has updated its Corporate Risk Map three times, producing a partial review of the risks in 2023 and 2024, focusing in part on ESG risks, continuing the analysis of environmental and climate risks that the company carried out at the end of 2022, the year from which it has been analysing the physical impact of climate risks in all the company's developments (see point 8.5).

15 strategic and operational risks have been identified for the company and **classified according to their likelihood, impact and size**, thus forming the risk map.



Neinor Homes has classified the various risks to which it is exposed into 6 global categories, which are set out in Section E.3 of the ACGR.

The risks identified, for which corresponding management measures have been proposed, are as follows:

OPERATIONAL RISK

- O1 Non-adequacy of our product to market demands and customer satisfaction
- O.2 Retention and succession of talent
- O.S.1 Correct choice of land assents acquired, both in cost and location
- E.O.1 Failure yo adapt to innovations
- E.O.2 Business stoppage caused by extrenal agents

SUSTAINABILITY RISK

- E.1 Macroeconomic uncertainty (former Bussiness Ciclicity)
- E.2 Administrative incidence due to changing regulations and/ or excessive bureaucratization
- E.3 Environmental and demand impacts as a consequence of climate change
- E.4 Shortage of business partners such as construction companies due to economic causes

CORPORATE RISKS

Neinor HOMES

OPERATIONAL

ENVIRONMENT

STRATEGIC

LEGAL AND COMPLIANCE

FINANCIAL

STRATEGIC

- S.1 Non-diversification of business
- S.1 Conflict of interest in the company's Strategic Plan
- S.F.1 Compliance with the forecasts (expected margin, profit, deliveries) given to the markets

FINANCIAL

- F.1 Low stock market value
- F.2 Excessive linkage of the business to the banking sector

LEGAL AND COMPLIANCE

- L.1 Fraudulent or irregular actions by the company or its employees / Non- compliance with applicable regulations

OTHER RISK

PREVENTION OF CRIMINAL LIABILITY

All the people who form part of Neinor Homes must maintain strict observance of the legal regulations in force. In this regard, the company develops the necessary internal policies and procedures to comply with this principle and makes every effort to **prevent the commission of criminal offences** to which it is exposed in the course of its activities. In the event that any of these offences were to take place, Neinor Homes would investigate the perpetrator, cooperate in repairing the damage caused and denounce the perpetrators, cooperators or accessories.

The **Criminal Risk Prevention Manual** is the framework in which the principles of management and crime prevention within Neinor Homes are detailed and its main objective is to define the rules of action and behaviour that regulate the company's activity, as well as the control systems it has in place in order to prevent the commission of crimes defined in the Spanish Criminal Code.

If it is detected that a crime is being committed by any of Neinor Homes' managers, employees or those under its auspices, there is a **protocol that sets out the guidelines for action**.

The **Manual** and its principles are **disseminated** via the website and by e-mail to all staff. Likewise, new recruits receive it together with the Code of Ethics in the welcome pack. Finally, Neinor Homes has a **specific training plan** for the Prevention of Criminal Risks, ensuring knowledge and dissemination of the rules of conduct with regular training and an aptitude test on their content.

ZERO TOLERANCE FOR CORRUPTION

Neinor Homes applies the principle of "zero tolerance" towards corruption. The company's commitment against corruption and bribery is materialised through the provisions of the Code of Ethics and through the **Anti-Corruption, Fraud and Bribery Policy**, both documents published on the website.

ANTI-CORRUPTION, FRAUD AND BRIBERY POLICY

This governs and prohibits the following cases:

- Making and offering gifts, favours and services on advantageous terms.
- Receiving and soliciting gifts, favours or services on advantageous terms.
- Donations, sponsorships and other non-profit contributions: Donations made must have a social purpose and must be earmarked for entities with an acknowledged track record. All donations must be reported to the Compliance Department.
- Professional meetings, congresses, conventions, seminars and other events: attendance at these must be authorised by the Compliance Department, which keeps a record of the expenses incurred.
- Trading in influence: it is prohibited to exert any kind of influence on a public official for the purpose of taking advantage of the exercise of the powers of his or her office.
- Recruitment of advisors, agents, intermediaries and suppliers: this must be subject to a verification and valuation procedure and their remuneration must be in line with the market.

Employees and members of the governing body periodically confirm their commitment to complying with the Code of Ethics and group policies, with specific training provided in 2024 for employees and Directors. In addition, new hires are provided with both confirmation documents and specific ethics and compliance training upon joining the company.

CONFLICT OF INTEREST MANAGEMENT

At Neinor Homes there is a **Policy for Managing Conflicts of Interest and Related Party Transactions** that is applicable to all parties concerned and that establishes the criteria and procedures for approving transactions involving related parties, which is defined as when one of the parties has significant influence in the financial or operational decisionmaking of the other.

Other types of transactions that may involve a conflict of interest are those carried out by the company with companies related to directors and/or members of senior management. These transactions are reviewed internally by the Internal Audit Department, and these persons confirm such transactions in a declaration.

The GRC management shall keep a **register of related-party transactions and conflicts of interest** and shall report annually to the Audit and Compliance Committee and the Board on transactions carried out under the terms established, requesting explanations from the directors, should they deem it necessary. In addition to all the analyses carried out on conflicts of interest and related parties, 4 full investigation reports on conflict of interest transactions were carried out this year.

In line with the company's strategy of co-investing with partners for the development of housing developments, due to the materiality of these operations and the implications that an alliance with partners who do not share the same performance guidelines in terms of matters such as regulatory compliance, business ethics or the fight against corruption and criminal offences could have for Neinor Homes, the GRC Departmen has developed and implemented the **Potential Investor Self-Assessment** Form, which all potential partners must complete.The self-assessment form requires information on topics such as their economic activity and their development in **areas such as compliance, business ethics, human rights, environmental management and cybersecurity.**

Once the completed form has been received, **the GRC Department performs independent due diligence on these potential partners** and subsequently, if there are indications of compliance risk, prepares an **Internal Assessment Report** presenting the conclusions obtained and associating a risk level to each potential partner, issuing a recommendation of nonassociation with the investor if the risk is unacceptable.

Are any of the directors or executives of the potential investor relatives, related to, or have any conflict of interest with any employee, executive or director of the Neinor Homes Group? (If yes, please identify)	☐ Yes ☐ No
Does the company or fund conduct employee training on ethics, sustainability, corporate governance and/or compliance?	☐ Yes ☐ No
Does the society or fund have a policy or public statement that expresses its commitment to respect human rights?	☐ Yes ☐ No
Are there independent bodies or departments within the company or fund that perform internal audit and/or compliance functions?	☐ Yes ☐ No
Does the society or fund have a policy or procedure against discrimination (on the basis of sex, race, religion, etc.)?	☐ Yes ☐ No
Does the company or fund have a sustainability or environmental policy?	☐ Yes ☐ No
Does the company or fund have a team or individual responsible for managing cybersecurity and responding to incidents that may occur?	☐ Yes ☐ No

ANTI MONEY LAUNDERING AND COMBATTING TERRORIST FINANCING

Neinor Homes maintains a firm commitment to anti money laundering and combating terrorist financing (AML/CFT), with an **AML/CFT Manual** that establishes rules that all members of Neinor Homes and its external sales agents must be cognizant of and strictly comply with, as failure to comply with it could result in the corresponding disciplinary or employment sanctions. It is the responsibility of each member to be familiar with it, and the company also provides face-to-face and online training for both employees and sales agents, in which attendance must be duly accredited and a test of the knowledge acquired must be passed.

The **Anti Money Laundering and Combating Financing of Terrorism Model** is monitored by an in-house internal Control and Communication Body, with the Board of Directors being the most senior body responsible.

In addition, and in order to comply with the relevant regulations, an annual internal and external audit is carried out. It should be noted that, in all the mandatory annual reviews carried out by external experts, the conclusions have been unqualified, with the overall conclusion being that 'the Neinor Homes Group has an adequate, efficient and constantly evolving and improving model for combating money laundering and the financing of terrorism'. The audit reports carried out by AENOR also highlight as strengths the 'support in terms of PBC/FT in the marketing and delivery processes, as well as the training provided to these internal and external channels. Development of guidelines and procedures', also being a benchmark for companies in the sector.

Similarly, the PBC/FT Unit is engaged in a process of continuous improvement with a view to implementing measures that will allow for greater control, effectiveness and efficiency in the procedure. Of particular note during 2024 was the creation of a WF for the formalisation of new construction operations, with a view to avoiding the mass sending of emails and ensuring that the documentation is integrated directly into the company's control module (Prinex). This procedure will be implemented in the first quarter of 2025.

The Prevention for the Prevention of Money Laundering and Financing of Terrorism is audited annually.

In addition, we carry out an annual Risk Self-Assessment Report to gain a more effective understanding of our customer typology, with a view to adapting our AML mechanisms accordingly.

In 2024, the AML Unit analysed a total of 3,420 transactions, including both assets registered during the year and assets for which a reservation or sale and purchase contract has been signed and not yet delivered, as well as housing and other assets (garages, land, etc.). Of these 3,420 transactions,alerts were generated for 1,216,for which the AML Unit carried out enhanced due diligence, increasing the requirements necessary to be able to approve their formalisation.

With regard to the homes delivered during the year, the AML Unit again analysed the situation of the customers prior to and close to the deeds, rthe situation of a total of 963 operations, in order to request the necessary documentation to ensure that they continued to comply with current legislation on AML/FT, and thus detect possible alterations since the date of reservation of the home.

Promotion **Santa Clara Homes**

DATA PROTECTION, CONFIDENTIALITY AND INFORMATION SECURITY

Neinor Homes is aware of the importance of the **confidentiality of the information** that it handles on its customers and those working with it, which is why the Code of Ethics establishes the obligation of all professionals not to disclose, cede or distribute confidential and sensitive information.

In addition, Neinor Homes has a Privacy Policy on Personal Data Protection which sets out the different uses of personal data and the purposes for which the company uses them. There is also a **Procedure for the fulfilment of the rights of data subjects** approved in March, 2018, which provides the minimum guidelines necessary to ensure that data subjects are provided with the necessary mechanisms to exercise their rights with respect to the processing of their personal data.

Neinor Homes has a Data Protection Officer (DPO), responsible for supervising, coordinating and disseminating the data protection policy both inside and outside the company.

A voluntary data protection audit similar to the one carried out in 2023 is planned for 2025, in order to assess the status of the recommendations made in that audit, and to review the group's situation in this area, following the changes in it with the entry of Habitat into the capital.

In this regard, aware of the **importance of raising awareness** of data protection and cybersecurity. In 2024, s**pecific training courses were again provided for employees and users of the Neinor Homes network** in both areas. In addition, specific training on cybersecurity has also been given to the Board of Directors. Furthermore, simulations of phishing attacks are carried out on an occasional but recurring basis.

Neinor Homes considers **cybersecurity** to be a key part of its digital strategy and has **ISO/IEC 27001** certification that guarantees the robustness of the information security management system, whose validity and compliance is reviewed annually by an external expert.

The **Regulatory Framework** of the Neinor Homes Information **Security Management System** aims to achieve adequate protection of information assets, preserving the security principles of **confidentiality, integrity and availability**. Furthermore, in the event of a possible threat of cyber-risks, Neinor Homes has developed a **Cybersecurity Management Model** that aims to guarantee the protection of assets, operations and the integrity of information. The security requirements and objectives are determined by the **Information Security Committee**.

Neinor Homes has the

AENOR
Seguridad Información
ISO/IEC 27001

certification.

In 2024, an internal audit of the ISMS was carried out, in accordance with the Audit Plan approved by the Commission, which evaluated the system's compliance status with ISO 27001, also reviewing the status of the incidents detected in the latest controlled penetration tests, which were again carried out only on those systems with possible risks or vulnerabilities to a potential attacker.

The result of this audit has shown an **improvement with respect to the observations made in the audit carried out in 2023**, with those aspects that posed a potential risk at the time of the audit being solved immediately, and no new issues of relevance being found.

Throughout the year, several controlled phishing tests were carried out on company employees using social engineering techniques, in order to alert and raise awareness of possible real attackers who could try to access corporate servers or obtain sensitive information.

INTERNAL CONTROL SYSTEM FOR FINANCIAL REPORTING

Neinor Homes has various mechanisms that make up the **internal control and risk management systems in relation to the process of issuing financial information (ICSFR)**. The implementation of this ICSFR is the responsibility of the company's own business areas, which are in charge of putting into practice the control mechanisms and activities to ensure the reliability of the company's financial information. For its part, the Board of Directors oversees the proper development and implementation of the system, with the support of the Audit and Control Committee.

The General Financial Management is responsible for the preparation of financial information, although all areas of the company must ensure the **transparency and veracity** of the information handled and supplied to the market.

In addition, Neinor Homes voluntarily submits the information relating to ICSFR included in its annual Corporate Governance Report to an **independent external verification**.

In addition, the effectiveness and model of the ICSFR is reviewed each year by Internal Audit. In the current year, an internal assessment has been carried out on the compliance of the ICSFR in terms of the development, design, effectiveness and functioning of the existing controls and the need to redesign some of them.

In relation to the control of tax risks, Neinor Homes has adopted the necessary control mechanisms to ensure compliance with tax legislation as part of appropriate business management. It also dedicates adequate and sufficiently qualified human and material resources to this end.

In particular, in the tax area, on an annual basis, the entity's head of tax matters reports to the Board of Directors, either directly or through the audit committee, on the tax policies applied by the company.

In tax matters, Neinor Homes ensures strict compliance with the tax regulations in the various territories in which the Group operates, paying the taxes that are payable in accordance with the legal system on the basis of a reasonable interpretation of the applicable regulations, without prejudice to any legitimate disputes that, in accordance with its policy of good tax practices, may arise with the tax authorities regarding the interpretation of the applicable regulations.

In relation to tax risks, Neinor Homes has implemented control mechanisms to ensure due compliance with tax regulations and its commitment to the application of good tax practices, in particular:

- Approval of tax criteria in line with the company's tax policy and its commitment to the application of good tax practices. These criteria are reviewed and validated annually by the head of tax matters;
- Ongoing monitoring and control of the proper implementation of the agreed criteria. Such monitoring is carried out both internally, by those responsible for tax matters, and externally, by an independent tax expert;
- On a regular basis, the head of tax matters of the entity reports to the Board of Directors on the outcome of the tax risk control mechanisms.

> On an annual basis, all employees are informed of changes to our compliance, ethics and internal control codes and policies. In addition, each employee receives a packet of letters to confirm receipt, understanding and acceptance of these codes and policies.

07

WE OFFER A **PERSONALISED SERVICE TAILORED TO THE NEEDS** OF THE CUSTOMER

We are aware that our customers rely on us for one of the most important decisions of their lives, and that is why **we take great care** in the service we provide. In all our processes we try to continuously improve by applying new technologies and implementing specific measures aimed at greater satisfaction.

Neinor Homes' commitment to customers is total and is its main raison d'être, with **customer-oriented quality** as its hallmark and seeking to achieve customer satisfaction as its main objective. For this reason, it always strives to offer excellent customer service that meets the real expectations of its customers, so that they become the best ambassadors of the Neinor Homes brand.

A customer-centric culture must be at the heart of our Company and therefore the objective on which to base our strategies for growth both internally and externally.

We have various **measures aimed at getting to know better the customers** who are interested in Neinor Homes:

We have implemented ***CRM and Customer Centric*** tools that are unique in the real estate sector and allow for a very detailed knowledge of the customers. The aim is to build developments that are more in line with what customers expect from their homes.

For Neinor Homes, each customer is unique and we offer a **personalised service**, endeavouring to be their travelling companion at all times and keeping them continually informed. Furthermore, Neinor Homes designs all its projects with the customer's needs in mind and for all its developments it carries out a thorough prior analysis of the market and the target buyer.

Aware of the importance of sustainability and energy efficiency for our customers and the arrangements that must be made when they move into their new home, Neinor Homes has made available to customers the P**APERNEST service, a free service to help with the contracting of individual utilities**, with the aim of speeding up the move into their new home as much as possible. Neinor Homes assumes the costs of this service, avoiding the days established by the companies to activate the supplies.

In turn, when the homes are handed over, the company offers customers the possibility of scheduling meetings with them to provide them with training and advice on the correct use of home automation, domestic appliances and the rest of the systems installed in their homes, so that they are aware of how they work and can optimise energy consumption.

These actions are complemented by the service provided by **HOBEEN**, a company dedicated to home energy management, so that once the property has been registered, the client has access, completely free of charge, to their innovative app, where they can consult their utilities usage, and optimise and save to contribute to the environment with a more sustainable **management of their home**.

By the end of 2024 Neinor Homes had more than 24,452 customers.

VALUE-ADDED SERVICES

FAMILY HOMES PROTECTION (FHP) INSURANCE

Neinor Homes was the **first developer to offer a payment protection insurance policy for its customers that covers the capital outstanding on the property** from the signing of the purchase contract util the 1 keys are handed over, in the event of death due to accident or absolute permanent disability (IPA) due to accident. It also insures the payment of the outstanding periodic amounts, with a maximum of 6-12 monthly payments, in the event of involuntary loss of employment, temporary disability or hospitalisation.

In 2023 we incorporated a new insurance, which has been offered free of charge to the customer, covering absolute permanent disability and death for any cause of the purchasers (including non-occupational accidents). In this way, their heirs receive help to be able to pay for the property.

PERSONALISATION OF HOUSING

For Neinor Homes it is essential that the user is satisfied with their own home. For this reason, it offers the possibility for the customer to **personalise their home** to their taste with a predefined catalogue to adjust it to their needs.

To manage this, there is a process that allows personalisation to be carried out systematically. Neinor Homes offers customers a series of alternatives that they can see physically at the points of sale or through the NEX website where their options appear, and they have the option to save, modify their selection and, once confirmed, formalise their choice with the sales team.

STANDARD CUSTOMISATION

The proposals are divided into 3 core packages:

- **Bathrooms**: there is a choice of two possible alternatives for the layout, if the bidet is to be removed or kept, and if the bathtub is to be replaced by a shower tray.
- **Kitchen**: sthere is a choice of two possible alternatives for the layout, and the combination of furniture and kitchen worktop from three possible options.
- **General housing**: the flooring is chosen from two options and the wall paint from three possible shades.
- **Always adjusting to the marketing plan and commercial needs of each branch.**
- **Standard customisation** is always offered where possible based on technical feasibility.

WITH-COST PERSONALISATION PACK

In some developments, due to commercial needs, customers are offered more advanced personalisation options in the form of packs at a cost.

SOME OF THE POSSIBLE PACKAGES ARE:

- **Home Automation Pack:** Allows home automation at a cost depending on commercial needs.
- **Partition Wall Pack:** Allows elimination of the partition wall between the kitchen and living room to unify the spaces.

The Commercial Department, Neinor Experience, Product, Personalisation Manager, and the Technical Team of the construction participate in the **process of personalising** the homes in order to coordinate the customer's choice.

7.1. NEINOR EXPERIENCE

Neinor Experience is the **exclusive customer service** offered by Neinor Homes to all its customers, to accompany them from the moment they sign the reservation of the property until the keys are handed over and the subsequent after-sales service, guaranteeing maximum transparency. Customers can request information by e-mail or telephone. In addition, a newsletter is sent every month informing them of the progress of the construction work. All this is coordinated by a Neinor Experience manager in each development, who can also respond to the customer and look after their interests whenever necessary.

"Chosen Best service Attention to Customer 2025", in the category of Promoters Real estate.

The services offered by *Neinor Experience* can be broken down into 7 stages that occur during the purchase of a home:

WELCOME PACK WITH RESERVATION

START OF WORKS

MANAGEMENT OF THE PURCHASE CONTRACT

PERSONALI-SATION OF THE PROPERT

COURTESY VISIT PRIOR TO HANDOVE

FOLLOWUP OF THE HANDOVER PROCESS

OTHER MEASURES

WELCOME PACK WITH THE RESERVATION

When the client signs the Reservation Contract, the Neinor Experience service is activated, sending a Welcome email, explaining each of our areas:

- Access to the website and the Neinor Experience App, which includes content on the project, the team involved in the project, the home, documents, information on financing, consultations, surveys, etc.
- Neinor Experience personal manager's contact details: email address and telephone number.

COMMENCEMENT OF WORKS/ MANAGEMENT OF THE CONTRACT OF SALE

The process of signing the Sale and Purchase Contract begins with the customer, where they are informed of any possible changes to the project and the **monthly Newsletters** are sent out which contain:

- Description of the monthly status of the work.
- General progress of the development.
- Details of the construction site including information on any construction process of interest or commercially relevant information on the development.
- Photos of the progress of the work in that month and the degree of progress by chapters.
- Corporate news about Neinor Homes.
- Culture Experience: cultural events in the city or province where the development is located.

PERSONALISATION OF THE HOME

Once the work on site has progressed and specific established milestones have been reached, the choice of customisation materials will be scheduled. All customers who have signed a Purchase and Sale Contract will be informed of the process and the NEX website will be enabled so that this milestone can be carried out together with the Marketing Company.

COURTESY VISIT PRIOR TO HANDOVER

Close to the handover and the signing for the property, Courtesy Visits are carried out with the customer. For this purpose, an agenda will be set up on the Neinor Experience website, where each customer will select their appointment and they will receive an explanation of what the visit will consist of in order to meet their expectations for their first contact with the properties they have purchased.

MONITORING THE HANDOVER PROCESS

- Coordination and management of the entire process with all the parties involved, ensuring that the established deadlines are met and that all the documentation required to complete the transaction is correct.
- Control and monitoring of the state of the property for its correct handover and signing.

OTHER ACTIONS

Satisfaction surveys. Several satisfaction surveys are conducted at various milestones of the developments:

- App / Reservation / Buying and selling / Showroom / Courtesy Visit / Signing.

The Covid-19 pandemic changed the way we interact with our customers, digitising part of our procedures:

- Virtual tours to learn about housing developments.
- Online reservations.
- Electronic signatures of documents.

In 2024, **519 buyers were protected** under Neinor Homes policies against possible contingencies that would make it difficult to continue paying for their future homes:

- **FHP** insured 300 purchasers against unemployment, temporary disability or hospitalisation.
- **Vidacaixa** insured against absolute Permanent Disability and Death from any cause 159 buyers, with their heirs receiving assistance to help them pay for the property.
- **Coverliving** insured 60 buyers so that they could meet their mortgage or any other type of financing, including personal and family loans, in situations of unemployment, temporary disability or hospitalisation due to accident
- Payment flexibility

We promote the digital transformation of the real estate process, in which the use of new technologies is key.

One of the strengths of **Neinor Experience's Customer Service** department is to have ascertained the **Customer Satisfaction Level** in order to implement corrective measures in the areas that need it.

To do this, certain parameters are measured at significant milestones in the homebuying process, in order to close the interaction circuit with the customer and determine whether all the dealings with the customer have been effective in generating the planned level of satisfaction.

The Company's overall figures for 2024 were as follows:

- Average CSI data **for the year: 3.40 out of 4 (3,34 out of 4 in 2023)**

The milestones on which we assess customer satisfaction are:

- App/Reservation/Showroom/Courtesy Visit/ Signing

Covering the whole process, from the moment the customer signs the reservation contract until he/she has been living in the property for a year.

In addition, Neinor Homes has reached a collaboration agreement with **Papernest**, a leading company in supply contract management, to provide customers with a **free sign-up service,** designed to facilitate their experience and save them time and effort.

This means that when the time comes to hand over the property, the customer does not have to worry about managing these services, as they have the following benefits:

- **The best price and without a fixed minimum term:** Endesa, TotalEnergies, Holaluz, etc.
- **A fast sign-up process** instead of having to spend an average of 8 hours on the phone to manage all the necessary formalities.
- **Faster activation** of household meters. This will allow for earlier availability of active and available supply.

Accessible at www.neinorexperience.com or via the App.

Neinor Homes has reached an agreement with Hobben, a company dedicated to home energy management. Once the property deeds have been registered, **the customer will have access, completely free of charge, to their innovative app**. They will be able to consult consumption, learn how to save in a quick and simple way and contribute to the environment with **a more sustainable management of their home**.

They will be able to **analyse their consumption by the hour, by the day and by type of device** to identify their highest consumption. They will learn to save energy and enjoy a more sustainable home, avoiding surprises.

In addition, the customer will be able to find out the price of energy and compare the best offers on the market. At the end of the year, an energy **audit of their home** will be carried out to find out if the power rating of their contract and the type of tariff are suitable for the needs of their home and if there are better options.

> **We work hard so that the customer can recommend our Company** to his/her circle of acquaintances, since a satisfactory experience is also a recommendable one.

Our motto, customer satisfaction, can be defined as the feeling or attitude of the customer towards a product, company or service provided by the same, working to ensure that these three points meet customer expectations.

For the second year running, Neinor Homes has won the **award for Leaders in Service, 'Voted Best Customer Service 2025'**, in the REAL ESTATE DEVELOPERS category Organised by Sotto Tempo, the main objective of this important award is to recognise and reward excellence in customer service in leading companies from various sectors at a national level, with previous winners including Samsung, Bosch, Leroy Merlin, Lidl, Hacer, DHL, Aegon and Eroski.

Specifically, **the quality of our Customer Service in the Pre-Sales and NEX Call Centre area has been recognised, achieving the highest rating of all the companies evaluated** in our category with a score of 9.83.

Active listening, response time and quality of service received were among the aspects taken into account in the final weighting and deliberation.

The results were measured based on 220 Mystery Shopper tests and 2,000 satisfaction surveys conducted through phone calls, emails, web interaction and social media, among other channels.

COMMUNICATION CHANNELS OF *NEINOR EXPERIENCE*

Neinor Homes offers its customers a wide range of two-way communication channels:

For each development there is a specific email address where the customer can contact the Neinor Experience manager directly, and through which the Neinor Homes staff responsible for the development can make personalised contact, or generic contact through press releases, to provide information on the progress of the development.

The ***Neinor Experience* website,** through which customers can consult the progress of everything related to the purchase of their home. Each customer has a **private web area** where all the documentation relating to the purchase can be found.

The monthly ***newsletter*** which includes a section called "the construction work in detail". As well as current news about the company.

The ***Neinor Responde* channel** is a corporate service offered to all non-new-build customers. It is a telephone consultation service via an internal un ***call center***.

Neinor Experience call center service to answer customer incidents. During In 2024, 88,961 incidents have been resolved with an average response time of 1 minute.

MAIN FIGURES FOR 2024

44,687	6,793	1,026
Sessions on the ***Neinor Experience*** website	New contacts	APP downloads

7.2. COMPLAINTS AND CLAIMS HANDLING

Neinor Homes acts with due diligence when faced with complaints and claims from its customers, having **specific procedures** in place and enabling **various accessible channels** through which the complaints received are logged and those responsible for their resolution are assigned. Understanding and evaluating customer complaints and claims is an opportunity to gain a more accurate understanding of their expectations and needs, allowing for progress and continuous improvement.

In 2024 Neinor Homes received 88,961 communications with an average response time of 1 minute.

Likewise, once the title deeds to the properties have been signed, **after sales claims** begin, due to problems in the operation of the installations and faults in the finishes due to small knocks or stains on the paintwork, wood, etc. In this case, an agent will arrive to take note of the incidents, always before the customer moves in and, if possible, with sign-up to the various utilities already done.

The Neinor Experience manager of each development is in charge of processing all incidents registered through the **call centre** or the **exclusive email of the development**. In the case of urgent incidents, the incident is strictly monitored until it is completely resolved. All other incidents are handled on a case-by-case basis.

The improvement of digital transformation, which was accelerated by the COVID-19 pandemic, allowed the creation of pre-sales and postsales records during the same visit to the property in an agile way (with photographs and documentation), from a smartphone or tablet.

NEINOR HOMES AFTER SALES SERVICE

Neinor Homes establishes guarantee periods to attend and respond to customer recommendations, in compliance with current regulations

Finishes: 1 year from receipt of the construction

Installation faults, appearance of **dampnessor** leaks: 3 years from receipt of the construction

Serious errors in the **structure**: 10 years from delivery of the dwelling

08

ENVIRONMENTAL IMPACT.

THE HOMES WE BUILD WILL HAVE NO ADDED VALUE IF WE FAIL TO THINK ABOUT THE ENVIRONMENT WE ARE LEAVING BEHIND FOR THOSE WE CARE FOR.

In the design of our homes we take into account **demanding quality, sustainability and health criteria** so that our customers enjoy a product that they are satisfied with and allows them to live better. The environmental impact of our activity is non negotiable; it is one of our priorities in our decision-making.

According to UN figures, in total, the building sector typically produces around 40% of global energyrelated CO_2 emissions, if emissions from the construction industry and emissions linked to the operation of buildings are taken into account. These emissions have been increasing in recent years.

At Neinor Homes we believe that rising emissions in the buildings and construction sector clearly show an urgent need for a three-pronged strategy to aggressively reduce energy demand in the built environment, to decarbonise the energy sector and to implement materials strategies that reduce life cycle carbon emissions.

In addition, on an environmental level, we must not forget other factors that directly or indirectly have a significant influence on climate change and the emission of greenhouse gases, such as the circular economy, the use and exploitation of water or pollution in general.

In the following sections we will see how all these aspects are being managed, using a very procedural model, reaching agreements with third parties and carrying out a thorough risk analysis.

8.1. HOUSING EXCELLENCE AND QUALITY MANAGEMENT

The **quality of homes is a priority** for Neinor Homes, one of its main hallmarks and a source of pride. This responsibility begins before designing and building, through a process of market research. This is the only way to create innovative 21st century homes that are excellent in design and quality, and above all, sustainable.

Neinor Homes has an **Environment, Quality and Innovation Policy** that establishes the principles that have to guide the company's activity in terms of quality, minimising environmental impact and promoting innovation. In this regard, in 2024 the company continued for the eight year with the maintenance of the AENOR ISO 9001, ISO 14001 and UNE 166002 management certifications. Work has been carried out to improve procedures that directly involve the company's value chain, seeking out inefficiencies in processes and better work methodologies.

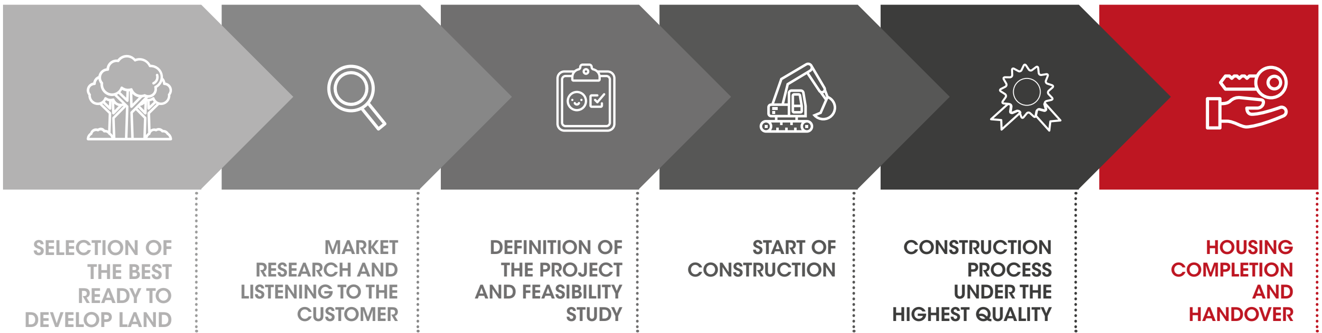
With the premise of achieving maximum quality and sustainability, Neinor Homes applies a **process of Research + Listening + Development** in the launch of all its developments and in the construction of its homes, which is a differentiating factor compared to the competition.

Therefore, after selecting the best ready-for-development plots, all developments begin with an indepth **analysis of the physical environment, an analysis of demand** and a market study to define the product to be offered in each development. **Benchmarking** is also carried out in other sectors to detect solutions that can also be implemented in the real estate sector.

Once the research and listening process has been carried out, the project is defined, adapting it to the demand and studying its **technical, social and environmental viability**, taking the utmost care with quality, after which construction begins. **Interaction with the customer** is present throughout the entire life cycle of the home.

CHARACTERISTICS OF NEINOR HOMES DEVELOPMENTS

- **Economy of maintenance**:
  design, careful selection of materials and innovative technological solutions allow for savings in long-term maintenance costs.
- **Habitability and functionality**:
  maximum use is made of every metre of floor spacea.
- **Attractive**:
  homes that adapt to the new lifestyle and environment in which they find themselves.
- **Acoustic comfort**:
  thanks to the exterior insulation and interior layout.
- **Security**:
  healthy and safe homes in the face of natural hazards.



QUALITY IN HOUSING THROUGH THE WHITE BOOK

Neinor Homes is a pioneer in the development of a **design and construction manual** called the **White Book**. The main objective of this manual is to **standardise the quality, sustainability and design parameters** that define all the Company's property developments.

In this way, the Neinor Homes White Book ensures that all developments have **Neinor Homes' own design criteria and product attributes** and are adapted to the needs of the customer in each territory, which are always applied irrespective of the architectural firm developing the project. The standards it sets are independent of the design used and **each product is customised** for each development.

The White Book is a living tool and its success lies in the fact that it is **constantly being revised** to adapt to the conditions and trends of the sector and the company, to new systems or materials that arise and to the experience acquired. In addition, **the whole company has the possibility to suggest and contribute changes and updates**. Thus, the White Book allows Neinor Homes to **lead the transformation of the sector,** as it has an implicit know-how that allows the transfer of knowledge, capacities, standards and ways of doing things.

The White Book is a pioneering manual in the sector.

8.2. MEASURING THE CORPORATE CARBON FOOTPRINT

Firstly, it is worth remembering that **the construction sector is responsible** for 36% of global final energy consumption, **almost 40% of total direct and indirect CO2 emissions**, and more than 45% of waste generation.

These emissions are directly linked to climate change and how this change negatively affects the environment and natural resources.

Achieving climate neutrality means comprehensively addressing the decarbonisation of the construction sector, considering both operational carbon and embedded carbon, and taking into account direct and indirect emissions from the entire cycle.

> In this sense, ***the world we are going to leave to future generations is very important for Neinor Homes***,

which makes the goal of reducing its carbon footprint one of the three main objectives of its Strategic Sustainability Plan (along with making homes more energy efficient and increasing accessibility to housing in Spain).

For this reason, within its sustainability strategy, from 2022 Neinor Homes calculates the greenhouse gas emissions of its operations, taking 2021 as the base or reference year. The calculation of Scope 1 and Scope 2 emissions was performed following **the methodological guidelines of the GHG Protocol**: A Corporate Accounting and Reporting Standard, and the guidance for the calculation of Scope 2 emissions, accounting for **all activities over which Neinor Homes has 100% operational control**.

Neinor Homes published the Scope 1 and 2 CO_2 emissions for the 2021, 2022 and 2023 financial years in the reports for the previous years.

And with regard to **Scope 3**, Neinor Homes, analysing the specific activity data and using the GHG Protocol's Scope 3 technical guidelines as a reference, calculated its emissions in the 2021 and 2022 financial years, published in the reports of previous years. The company did not publish these emissions in the 2023 financial year, to avoid giving information that could confuse the market due to the great disparity of criteria and possibilities that gave very different measurements depending on the parameters assumed and chosen: namely, the selection of developments and their subsequent extrapolation, the consideration of homes delivered versus those built, the nonexistence of criteria in terms of metres of construction to be considered, years of useful life etc., and multiple factors detailed in the report for the 2023 financial year.

THE MAIN 3 PLAN OBJECTIVES SUSTAINABILITY

Increase accessibility to the home in Spain

Reduce the carbon footprint of the sector

Make homes more efficient energetically

In this connection, with a view to increasing transparency in the 2021 financial year, the premises and methodology that the company ought to use to measure its carbon footprint began to be defined and life cycle assessment was chosen as the most accurate and reliable method among the various current alternatives.

Since the 2022 financial year, all the company's projects have had an LCA and the attributes chosen for measurement have been analysed by the company based on an in-depth study and consultation with different stakeholders, sustainability experts, real estate companies, regulations, etc., comprising the attributes and characteristics of our LCA measurement, explained below in the section on Scope 3 emissions.

The company places a lot of emphasis on Scope 3, because in the development sector Scopes 1 and 2 are insignificant in comparison with Scope 3, which, in all the years that we have published our emissions, accounts for more than 99.8% of total emissions.

For this reason, in the **financial year 2024, the company is in a position to publish for the first time the emissions** of its developments completed in the current financial year (2024), using the LCA and the methodology explained in detail and development of Scope 3 below.

CARBON FOOTPRINT IN METRIC TONNES	FINANCIAL 2024	TONNES	% S/TOTAL
254,700	Scope 1	220	0.09%
	Scope 2	185	0.07%
	Scope 3	254,295	99.84%
		254,700	

EMISSIONS RATIOS FOR THE 2024 FINANCIAL YEAR	
Metric tonnes of carbon emitted per dwelling built*	185
Metric tonnes of carbon emitted per million € of economic value generated	489

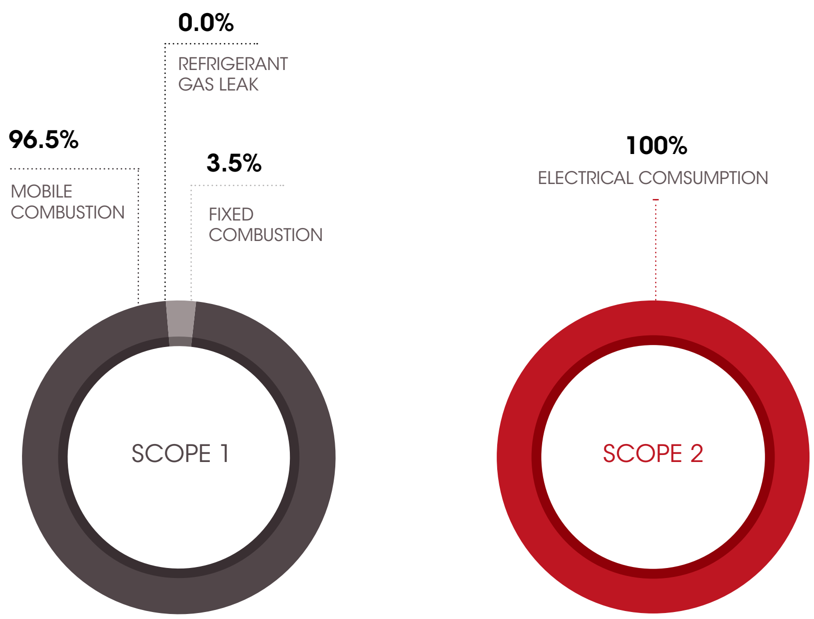
*We transfer the ratio of tonnes of CO2 per dwelling built, as it is directly related to the emissions calculated for the developments delivered, and we do not vary our type of housing annually, given that the average types and sizes of our homes, as well as the common areas, tend to be quite homogeneous each year.

We do not provide it per square metre given the multiple casuistry that can be involved in its consideration and that could generate confusion: built, useful, heatable, walkable surface, ground floor, basements, common areas, etc.

CARBON FOOTPRINT RESULTS 2024
[SCOPES 1 AND 2]

SCOPE / EMISSION SOURCE	EMISSIONS (tCO_2e) EMISSIONS 2024	EMISSIONS 2023	EMISSIONS 2021
Scope 1	**219.97**	**182.26**	**219.08**
Fixed combustion	**7.74**	**4.35**	**79.74**
Mobile combustion (leasing vehicles)	**212.23**	**177.91**	**137.25**
Leakage of refrigerant gases	**0.00**	**0.00**	**2.09**
Scope 2	**185.00**	**225.39**	**131.01**
Electricity consumption	**185.00**	**225.39**	**131.01**
Total (tCO2e)	**404.97**	**407.65**	**350.09**

EMISSION BY EMISSION SOURCE (%)



SCOPE 1

Mobile combustion, the main source of Scope 1 emissions, recorded a 54.6% increase in GHG emissions compared to the base year, as the increase in construction activity required the hiring of additional leasing vehicles to attend construction sites. Emissions associated with **stationary combustion** decreased by 90.3% compared to 2021 due to continued work on the elimination of generator sets (currently only one point of sale has generator sets). Finally, during the reporting year **no refrigerant gas recharges** were carried out, and therefore zero emissions are recorded under this category.

ALCANCE 2

Emissions associated with the **consumption of electrical energy** contributed to 45.7% of Scope 2 emissions during 2024. These **emissions have decreased by 17.92% during 2024** compared to 2023 thanks to the contracting of a 100% renewable energy supplier in one of its offices and points of sale, as well as the decrease in Neinor Stores (points of sale) open during 2024.

Furthermore, and with respect to the base year, **in 2024 it managed to reduce electricity consumption by 41.2%**.

Neinor Homes **maintains its commitment to reduce its Scope 1 and 2 emissions by 42% by 2030**.

Promotion **Creative Homes**

CARBON FOOTPRINT RESULTS 2024
[SCOPE 3]

EMISSION TRENDS

PREMISES

Life Cycle Assessment (LCA) is based largely on Environmental Product Declarations (EPDs), which are different in each country since they are calculated according to the energy mix of each country and this varies according to the energy they consume. (For this reason there are different environmental databases.)

Although in Spain there is no environmental database with its emission coefficients, EPDs are regulated by ISO 14025.

There is no national or European standard to follow that indicates the parameters to be considered in an LCA, so there is no harmonisation at the European level in its analysis. Some examples:

- There are no standardised criteria regarding the metres to be considered that indicate the distribution of emissions in them.
- To measure the carbon footprint based on the LCA, depending on the country, certain phases of the LCA or all its phases can be considered.
- As for emissions in the construction phase, it also depends on the country whether all or some of the construction parts are considered: structure, façade, installations, finishes, urbanisation etc.

METHODOLOGY AND DETAILS OF THE SCOPE 3 EMISSIONS

2024				
A1-A3	A4-5	B1-5	C1-4	B6-7
123.599.245,24	**7.914.187,04**	**69.598.742,20**	**18.086.156,28**	**35.096.447,41**
	EMBEDDED CARBON **219.198.330,76**			OPERATIONAL CARBON **35.096.447,41**
	TOTAL (Kg) 254.294.778,17			

Below we present the considerations that have been taken into account when carrying out the LCA that allows us to quantify the environmental impacts of buildings in relation to GWP, Global Warming Potential.

In order to **evaluate the environmental** load of the various processes, an LCA is carried out in accordance with international standards ISO 14040 and 14044, 15804 and 15978 and the guidelines of the ILCD Handbook. The LCA methodology presents a **holistic approach** to estimating the environmental impacts related to the entire life cycle of a product or service. The limits of the study will comprise the chain that extends **from the manufacture of the products to the end of life of the works carried out**; from the cradle to the grave.

1. LIFE CYCLE ASSESSMENT (LCA)

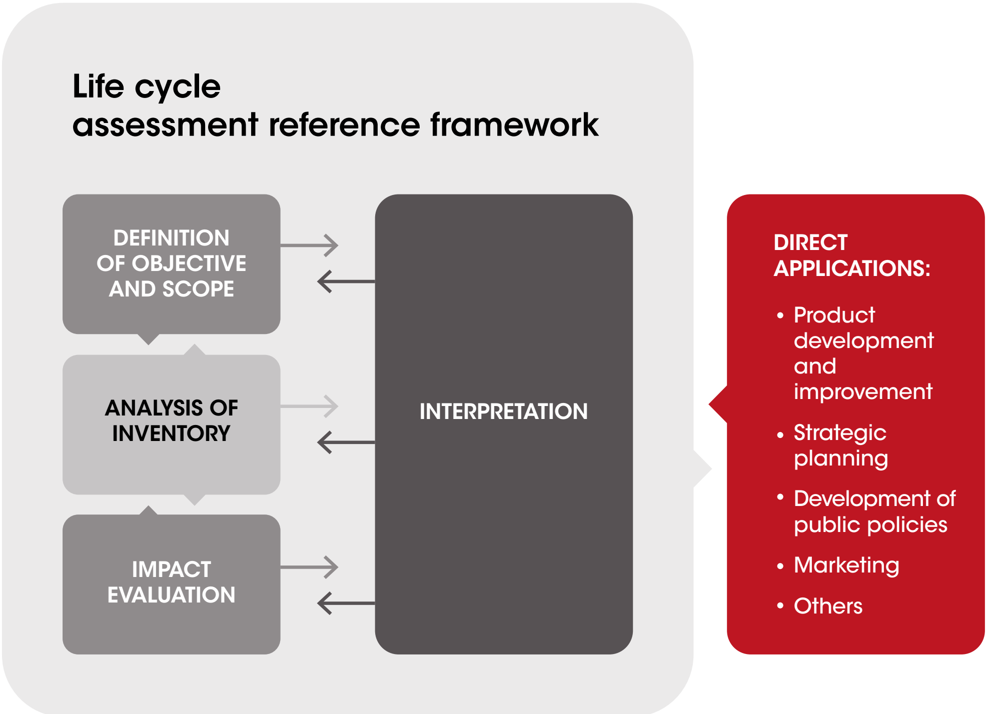
The UNE-EN ISO 14040 standard defines LCA as: 'a technique for evaluating the environmental aspects and potential impacts associated with a product, process or activity by means of: collecting an inventory of the relevant inputs and outputs of a system; evaluating the potential environmental impacts associated with those inputs and outputs; and interpreting the results of the impact analysis and evaluation phases in accordance with the objectives of the study'.

From this definition it follows that LCA is a tool that can be used to evaluate the environmental impact associated with a product, taking into account its entire life cycle. It is a methodology that attempts to identify, quantify and characterise the various potential environmental impacts associated with each stage of a product's life cycle. Therefore, for a given activity, the problem is not only limited to the industrial process, but it is also necessary to establish the proportional part of pollution from all the previous and subsequent activities that the product in question originates. Thus, LCA is a useful environmental tool in the design of alternative solutions that seek to reduce potential impacts and are oriented towards the search for sustainable development.

The life cycle approach takes into account all the resource flows and environmental interventions associated with a product or organisation from the perspective of the supply chain. It includes all stages from the acquisition of raw materials, through the processes of treatment, distribution and use, to the end of life, as well as all the associated environmental impacts, health effects, resource-related threats, burdens on society and relevant interactions. This approach is essential to highlight the possible interactions between the various types of environmental impacts associated with specific decisions, both political and managerial, and to prevent the unintentional shifting of burdens. This will contribute to the adoption of the most environmentally positive options.

The software chosen for the LCA is the TCQiGMA programme. This is a tool that allows the environmental, social and economic impacts associated with a product throughout its entire life cycle to be calculated. This software has databases containing libraries of data from different authors on energy, materials, transport and impact assessment methods.

The regulations used to carry out the LCA are those set out in internationally accepted standards, whose methodology establishes a series of fundamental principles for the LCA. According to ISO 14040, the LCA consists of four interrelated work phases in a more or less defined sequence: definition of objectives and scope, inventory analysis, impact assessment and interpretation of results (Figure 1).



a | Definition of the objective and scope of the study

The definition of the objective and scope of the study is the first phase in an LCA. In this phase, the intended application and the reasons for conducting the study are defined, in addition to specifying the people to whom the results are to be communicated and whether they will be used in comparative assertions for public disclosure.

Next, it is necessary to define the scope of the LCA by establishing the system boundaries that define the unit processes to be included in it, since due to its comprehensive nature a complete LCA could be really extensive. This includes a description specifying the system to be studied, the functions of the system, the functional unit, the system boundaries, the allocation procedures, the selected impact categories, the data requirements, the assumptions, the limitations and the type of report and critical review. The definition of the functional unit will seek to quantify the identified functions of the product in accordance with the objective and scope.

Figure 1. Stages of an LCA according to the ISO 14040 series of standards.
(Source: ISO 14040:2006)

b | Inventory analysis

This is the second phase, in which an inventory is made of the inputs and outputs for each unit process within the system boundaries. The main data collected corresponds, among other things, to energy inputs, raw material inputs, auxiliary inputs, products, co-products and waste, emissions and other environmental aspects.

The aim of this inventory is to obtain the data and calculation procedures to identify and quantify all adverse environmental aspects. Limitations in obtaining certain values or detection of data that was initially considered negligible, but which, as the study progresses, is found to have been wrongly assumed, may result in modifications to the objectives or the initially proposed scope of the study.

To guarantee the reproducibility of the study it is important that the data is representative, trustworthy and reliable, for which data validity criteria are defined. These must consider factors such as time and place of collection or technology used, among other factors.

a | Life Cycle Impact Assessment (LCIA)

The main objective of this phase is to provide information to address the calculation that allows the evaluation of the results of the life cycle inventory of a system and to detect potential environmental impacts.

This phase consists of obligatory elements such as the selection of impact categories, indicators for each category, classification and characterisation models, as opposed to others that are optional and can be used depending on the objective and scope of the LCA (standardisation, grouping, weighting and data quality analysis).

b | Interpretation of results

Interpretation is the phase of an LCA in which the results of the inventory analysis and/or impact assessment are discussed. The results of this interpretation form the basis for drawing conclusions, making recommendations and taking decisions in accordance with the defined objective and scope. It allows us to determine at which stage of the product life cycle the main environmental burdens are generated and therefore which points of the evaluated system can or should be improved. In cases where equivalent products are compared, it will be possible to determine which one has the best environmental performance.

2. SOFTWARE TOOL USED

The LCA study was carried out using TCQiGMA software. This tool, developed by ITeC, allows a complete Life Cycle Assessment to be carried out with multiple methods for impact assessment that allow impacts to be calculated following the recommendations of the ISO and ILCD Handbook standards.

The software is an online application that is constantly improving and will allow the user to update the information in the software on an ongoing basis at the same cost.

2.1 Database

The database used is that of Neinor's entries, with the environmental impacts database created by ITeC, based on Banco Bedec's entries. The structure of Neinor's creation is maintained, creating the necessary information to achieve the calculation of Life Cycle Analysis according to the Standard, and to ascertain the Carbon Footprint, among other impacts, related to waste management and the circular economy.

2.2 Data quality indicators

Another important element of TCQiGMA is the system of data quality indicators in accordance with the requirements set out in ISO 14044. This system evaluates the suitability of the data by assigning them a weighted score taking into account the defined profile and allows for uncertainty analysis using the Monte Carlo method. In this connection, the primary data used in this LCA are of the highest quality.

2.3 Life cycle inventory

Once the necessary data for the analysis has been identified, the life cycle inventory is prepared. First, data that is not contained in the tool's libraries is searched for and collected and entered in the process records, which allows for a level of information of over 90%, a feature that differentiates the tool's calculation from other calculations on the market.

TCQiGMA then automatically generates a process tree or flow chart linking all the processes.

2.4 Impact assessment

TCQiGMA also includes several recognised impact assessment methods. All use the characterisation procedure by which the relative contribution of a substance to a given impact category is calculated. Some of the methods mentioned also use other procedures such as damage assessment, normalisation or weighting.

Stages of the life cycle

In the UNE-EN 15804 standard, which distinguishes the following successive stages of the life cycle.

- **Product stage**: consisting, in our case, of the supply of raw materials, transport of raw materials and manufacture of the materials (the products) that will make up each section of pavement or subgrade.

- **Construction process stage**: consisting, in our case, of transport to the worksite and its installation.

- **Use stage**: consisting of everything related to the actions and functioning of the structure itself of the pavement or subgrade sections, such as maintenance, repair, replacement and rehabilitation.

- **End-of-life stage**: consisting of demolition, transport to the waste treatment site, treatment of the waste for reuse, recovery and/or recycling, or its disposal, also including the supply and transport of all materials and products, and the associated energy and water use.

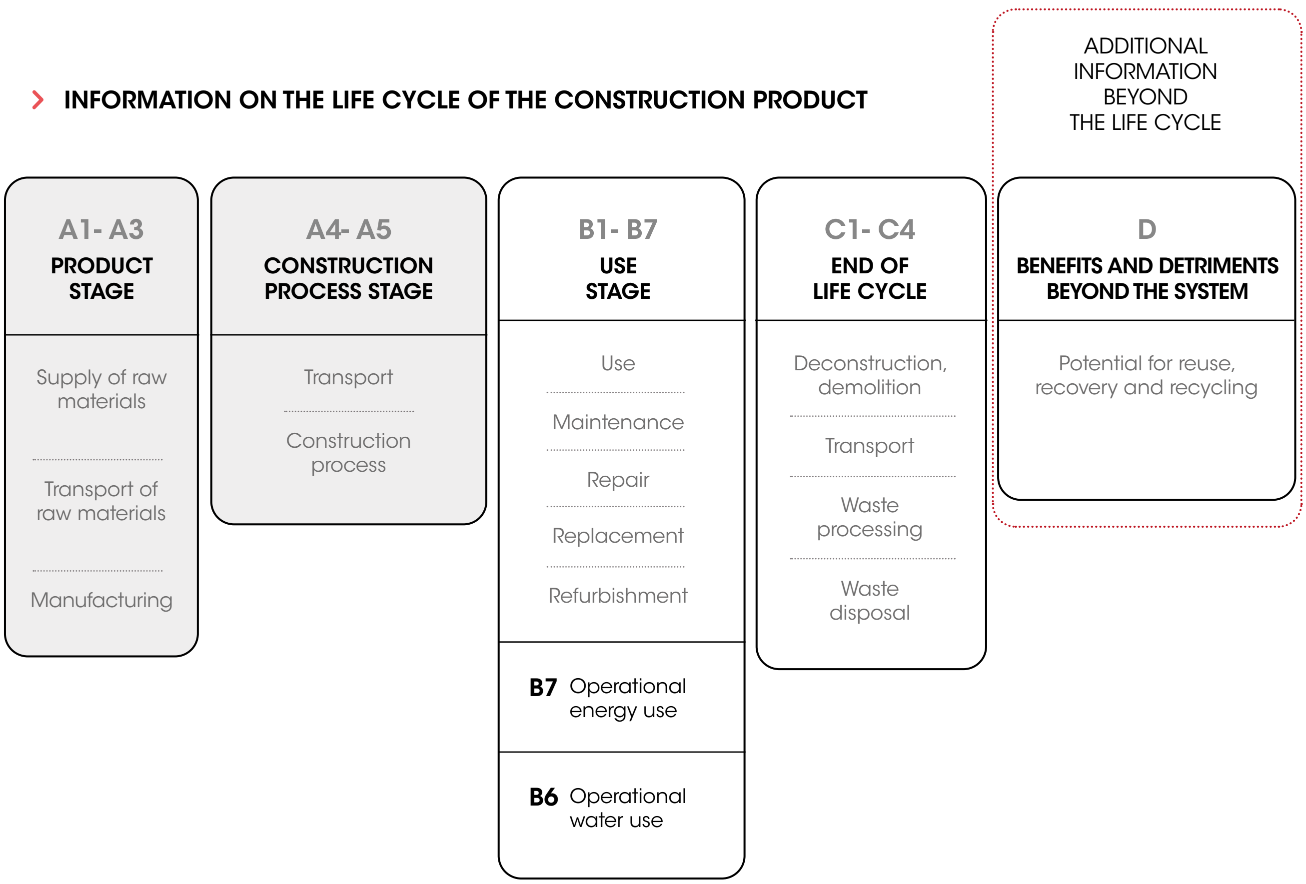


Figura 2: Stages in the cycle of a construction product according to UNE-EN 15804

To conclude and based on the above, we can report that at Neinor Homes the LCA calculation assumptions that have been considered are as follows:

- All the elements of the construction.
- All the phases of the LCA (from cradle to grave).
- All the metres of the development.
- A useful life of 50 years.
- The Itec Bedec database used by Neinor Homes is approved by the Levels framework.

We have considered these criteria with a view to aligning ourselves as much as possible with Level(s) given that the EPBD directive is the framework of reference for measuring sustainability in construction.

LEVEL(S) KEY INDICATORS

1 GREEN HOUSE GAS EMMISSIONS ALONG A BUILDING'S LIFE CYCLE	2 RESOURCE EFFICIENT + CIRCULAR MATERIAL	3 EFFICIENT USE OF WATER RESOURCES	4 HEALTHY + COMFORTABLE SPACES	5 ADAPTATION + RESILENCE	6 OPTIMISED LIFE CYCLE COST AND VALUE
Use stage energy performance	Bill of quantities	Use stage water consumption	Indoor air quality	Protection of occupier health + thermal comfort	Life cycle cost
Kilowatt hours per square metre per year [kWh/m²/yr]	Unit quantities mass + years	m²/yr water per occupant	Parameters for ventilation, CO2 + humidity Target list of pollutants: TVOC, formañdehyde, CMR, VOC, LCI ratio, mold, benzenem, particulates, radon	Projected % time out of range in the years 2030 and 2050 [see also 4.2]	Euro per square metre [€/m²/yr]
Life cycle Global Warming Potential	Construction + demolition waste + materials		Time outside of thermal comfort range	Increased risk of extreme weather events	Value creation + risk exposure Indoor air quality
KgCO2 equivalents per square metre per year	Kg of waste + materials per m2		% of the time out range during the heating and cooling seasons	Level 1 ckecklist [under development]	Level 1 ckecklist
	Design for adaptability use		Lighting + visual comfort use	Increased risk of flood events	
	Adaptability score		Level 1 checklist	Level 1 ckecklist [under development]	
	Design for deconstruction, reuse + recycling		Acoustics + protection agains noise		
	Deconstruction score		Level 1 checklist		

LEVEL(S) KEY INDICATORS

1 LEVEL QUALITATIVE	2 LEVEL QUALITATIVE	3 LEVEL MONITORING
CONCEPTUAL DESING FOR THE BUILDING PROJECT	DETAILED DESINGN AND CONSTRUCCION OF BULDING	AS-BUILT AND IN-USE PERFORMANCE OF THE BUILDING AFTER COMPLETION
Accessible entry point for the use of each indicator, assessments are qualitative.	Quantifying the performance of building desings, common units of measurements with reference calculation methods are provided.	Data collection on the real performance of building project.

THE ROAD TO DECARBONISATION

In this regard, it is worth highlighting the partnerships that have been reached with various suppliers for the use of low-emission building materials in these last two years, such a:

CEMEX and Neinor Homes have developed in Madrid the first residential development in Spain built entirely with Vertua® **'green' concrete,** an innovative product developed by CEMEX R&D and which, thanks to its technology, is able to confer sustainability characteristics on the construction site, both in the construction process and during its useful life.

The Torrejón Park Homes development has been built with concrete from the Vertua Plus range, which has been manufactured with between 50% and 70% less CO_2 emissions than concrete with similar traditional performance. It is a complex of 81 homes with almost zero consumption, with energy certification A, BREEAM Good certification and a recovery of construction waste of more than 80%. Neinor Homes was the first developer in Spain to use a product of these characteristics in the construction of its developments.

Cemex and Neinor Homes have reached an agreement to implement green concrete in all developments.

Alliance between Neinor Homes and Cortizo for the use of recycled aluminium and PVC. All Cortizo brand joinery, both aluminium and PVC, installed in the new Neinor Homes developments will be made from recycled materials, significantly contributing to the reduction of CO_2 emissions in their manufacture. The aluminium windows installed in the homes will be made from Infinity, a 100% recycled billet made entirely from post-consumer scrap. In addition, the joinery will include an innovative recycled polyamide thermal break, made from PA 66 thermoplastic and glass fibre, both reused and from post-industrial channels.

Neinor Homes and Saint-Gobain (construction materials) have signed an agreement to promote sustainable construction through the use of sustainable construction solutions manufactured by Saint-Gobain in Neinor Homes projects. The main objectives of the alliance are the decarbonisation of processes and the use of products with a low carbon footprint, the circular economy, water and biodiversity management, innovation and the promotion of a green economy.

Neinor Homes has signed an agreement for the incorporation of Porcelanosa's ECO products The main objective of the agreement is to move forward in the construction of more sustainable homes with a full life cycle approach. With this, Neinor Homes aims to consolidate and increase the use of these sustainable materials and solutions available to Porcelanosa Group, some of which have already been used in the past in the developments of Evergreen Homes (Mijas), Sa Llosa Homes (Es Mercadal-Menorca) and Santa Clara Homes (Marbella).

Neinor Homes and Uponor are working together to reduce pollution in construction. Neinor Homes will include sustainable solutions from Uponor's portfolio such as Uponor PEX Pipe Blue technology pipes based on bio-based materials and Uponor's 'Sustainable Invisible Climate' ecosystem in its new construction projects.

Neinor Homes and Heidelberg sign an agreement to implement low-carbon concrete: The objective of this strategic collaboration agreement is to continue promoting the incorporation of low-carbon products and solutions in developments. This alliance will give continuity to the implementation of low-carbon products and solutions from Heidelberg's eco build range in Neinor Homes' developments

https://www.neinorhomes.com/en/noticia/neinor-homes-y-heidelberg-firman-unacuerdo-para-implantar-hormigones-bajos-en-carbono/

https://www.heidelbergmaterials.es/es/neinor-homes-y-heidelberg-se-alian-paraimplantar-hormigones-bajos-en-carbono

Neinor Homes will reduce the carbon footprint of its projects under an agreement with Holcim Spain. Neinor Homes and Holcim Spain, part of the Holcim Group, a world leader in innovative and sustainable construction solutions, have announced the signing of an agreement under which the property developer will use ECOPact concrete in its developments. This range of concretes contributes to the reduction of the carbon footprint as it is capable of reducing, through optimised mixtures, the CO2 content between 30% and 70% without offset, with respect to other concretes designed with type 1 cement.

Neinor Homes signs an agreement with TECHNAL to reduce its carbon footprint by up to 88%. A collaboration agreement to promote the use of recycled aluminium in Neinor Homes' residential developments, a material that reduces the carbon footprint by up to 88%. Thus, Neinor Homes' new homes will have TECHNAL windows and doors, made with Hydro CIRCAL® 75R, the brand's recycled aluminium, which is produced with at least 75% post-consumer scrap and has a carbon footprint of 1.9 kg of CO2/kg of aluminium, 88% less than the European average.

https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinorhomes-firma-un-acuerdo-con-technal-para-n-706193

Furthermore, Neinor Homes is working on reducing emissions in Category 11 (use of products sold) in the following areas:

- Agreements with suppliers that guarantee energy from renewable energy sources.
- Customer solar panel installation initiatives (Neinor Smart Sun)
- Recognising the importance of promoting low energy buildings and greater energy efficiency, we are increasingly turning to aerothermal energy as a renewable energy source as opposed to fossil fuel based systems such as gas boilers.
- Agreements with suppliers of tools for reporting and improvement of energy consumption to customers (agreement with Hobeen, see point 5.8 (customers)).

Currently 53% of our developments have a BA/BB Energy Certificate and 34% have an AA Energy Certificate, a figure that will increase as the company meets its Sustainability Strategic Plan target, in which more than 70% of the homes launched by 2024 will have A certification.

Aware of the importance of taking action in the fight against climate change to limit the increase in the average global temperature to below 1.5°C, at the end of 2022 Neinor Homes submitted its emissions reduction targets to the Science Based Targets (SBTi) initiative, **committing to reduce its Scope 1 and 2 emissions by 42% by 2030,** with respect to 2021. The targets have been approved and validated by SBTi.

8.3. ENVIRONMENTAL SUSTAINABILITY AND HEALTH IN HOUSING

Neinor Homes is taking into account sustainability, health and quality criteria in its developments, so that the homes meet the increasingly demanding requirements of customers.

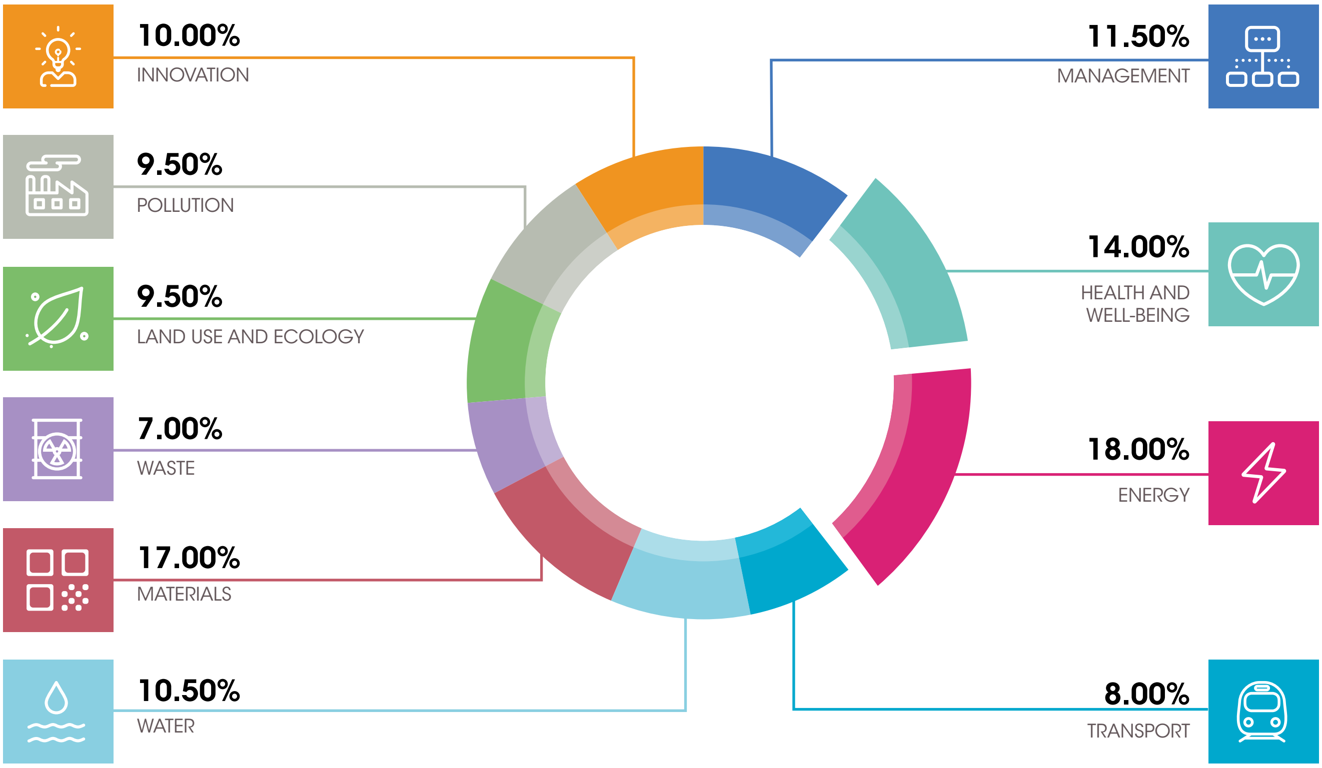
In this regard, it has been committed from the outset to green certifications for its homes, independently of environmental regulations.The company is currently focusing on compliance with the technical environmental criteria of the Taxonomy, on improving the energy efficiency of its homes and on reducing emissions during the construction period of its developments.

BREEAM® CERTIFICATION

BREEAM® is the most visible part of a global project to transform the building sector worldwide.

It promotes more sustainable construction that results in economic, environmental and social benefits for all the people involved in the life of a building (tenants, users, developers, owners, managers, etc.), while at the same time conveying the company's Corporate Social Responsibility to society and the market in an unequivocal and very visible way. It is responsible for assessing certain requirements divided into categories, the weighting of which is adapted to the country in which it is implemented.

Since its inception, Neinor Homes **has registered around 8,500** dwellings to obtain the BREEAM® seal.



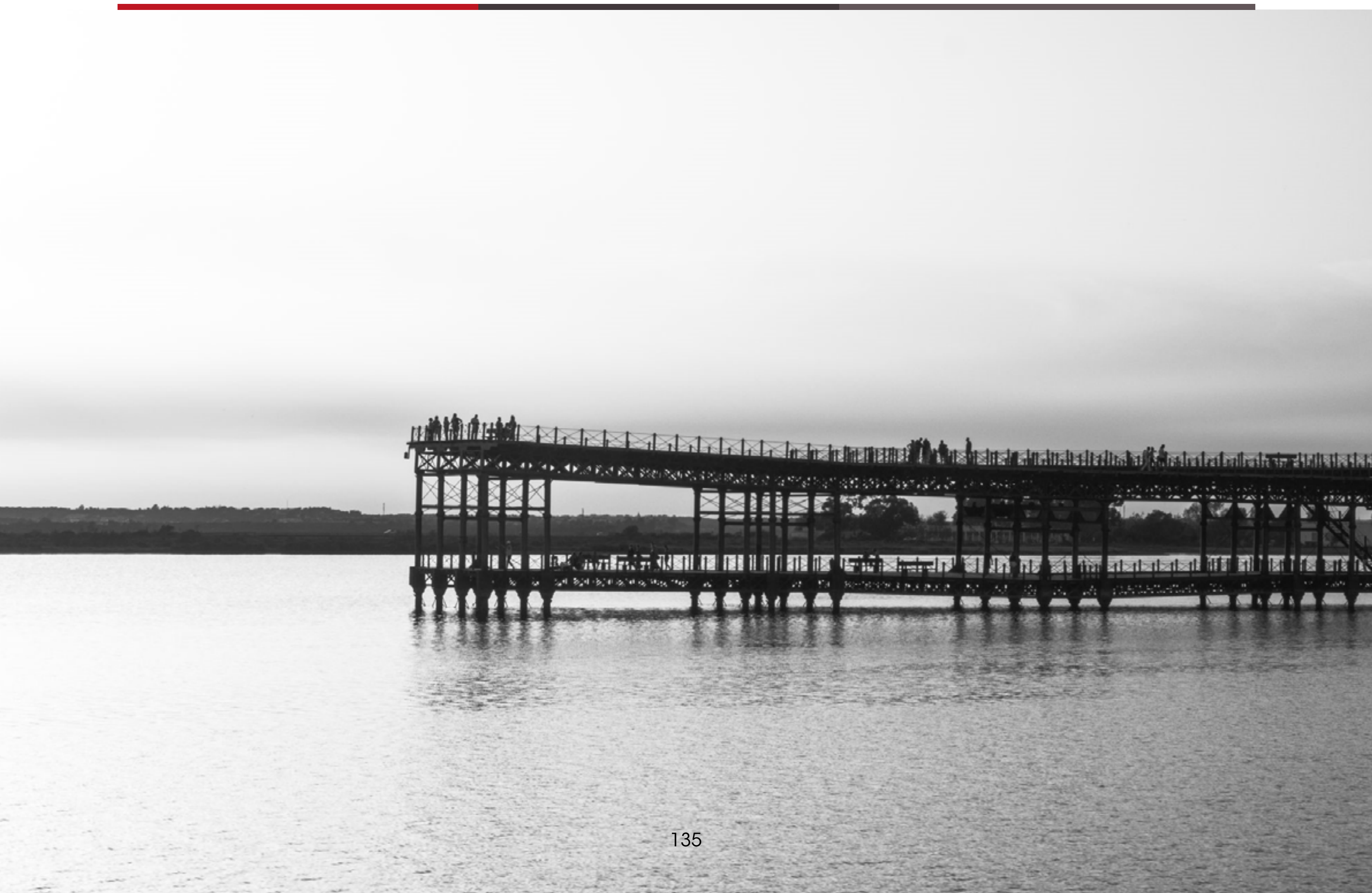
Neinor Homes, from the outset, decided to start certifying a significant number of its developments with an environmental seal, as a first step and a benchmark with the aim of encouraging the sector to build developments with a better environmental impact, which is why it has certified many of its developments with the requirements of the **BREEAM®** sustainability **certification** at Good or Very Good level.

Currently our commitment to BREEAM certification has slowed down and **we are focussing more on taxonomy compliance and the reduction of emissions from our developments**. The main motive for this initiative was to provide developments that had a lower environmental impact, that were more energy efficient and had fewer emissions during their construction, so that this would benefit our customers and the environment. But on the other hand, we also wanted to serve as a guide and be a benchmark for other developers and property owners to follow. And, by doing so, to consolidate one of the most internationally recognised environmental seals of approval in Spain, having been the developer with the most certifications obtained at source and thus fulfilling one of our purposes of being a benchmark and marking the way forward.

In this regard, in 2024 we have made progress in fulfilling this commitment. **Of the total number of developments delivered since the company was founded (196), 82 have the final BREEAM®** certificate or are in the process of certification, which represents **40.81%.** Of these 82 developments, 68 are certified at the good level and 8 at the very good level.

When a building meets the **requirements of BREEAM® certification, this ensures that both the user and the environment benefit** from the following aspects:

HEALTH	COST SAVINGS	ECOLOGY
• Use of **paints, varnishes and materials** with minimum harmful elements. • Homes with **amenities to enjoy and relax**: swimming pool, communal leisure areas, etc. • **Proximity to basic services** (less than 500m from a hub of bus stops, a school, grocery shops, health centres, etc.)	• **Thermal envelope** design that saves on heating and air conditioning. • Choice of **efficient lifts**. • Use of **energy-saving** and efficient **lamps and lights**. • Installation of **solar panels** to supply part of the demand for domestic hot water, resulting in significant economic savings and a reduction in greenhouse gas emissions. • Installation of vegetation on roofs and in gardens to create a pleasant environment with low maintenance and water consumption, as they are **native plants** with low water requirements.	• Choice of **consumption saving taps.** • Reduction of **private car journeys** due to the proximity of the dwelling to basic services. • CO_2 **emissions reductions**. • **Recycling of waste** generated on site. • **Legal** timber **procurement**. • Installation of **grease separators** to minimise contamination of watercourses.



CIRCULAR ECONOMY AND POLLUTION

With regard to environmental sustainability, there are other very important fields, such as the circular economy and the reduction of pollution, in which the company is working through the exchange of experiences and solutions to improve the environmental impact on the environment. Some of the actions being carried out are as follows:

- **Neinor Homes, ACR, Cocircular and ROCKWOOL** have joined forces to achieve zero waste. Neinor Homes and the construction company ACR, working together with Cocircular, will implement ROCKWOOL's innovative Rockcycle service in the construction of the San Andrés Homes development in Mondragón. Rockcycle makes it possible to recover pallets and leftover rock wool on site,and take them back to the ROCKWOOL factory in Caparroso (Navarra), where they are processed and recycled into new rock wool,maintaining the original performance, quality and durability, preventing them from ending up in landfill and moving towards zero waste.

  https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinor-homes-acr-cocircular-yrockwool-se-unen-n-646629

Neinor Homes is currently meeting **its strategic objective of recovering more than 80% of construction waste**, with the **standard being 70%**. This means it is also meeting another of the main objectives **of our Strategic Plan** in terms of the Circular Economy.

Neinor Homes achieves 90% in construction and demolition waste recovery, 20% above the norm: The San Andrés Homes development in Arrasate-Mondragón is the first in Spain to achieve this milestone in the construction residential sector.

https://observatorioinmobiliario.es/noticias/esg/neinor-homes-alcanza-el-90-en-valorizaci%C3%B3n-de-residuos-de-construcci%C3%B3n-y-demolici%C3%B3n/

Likewise, recycling and recovery clauses are included in the contracts with suppliers in 100% of the developments. All these measures have enabled us to meet the various objectives relating to the circular economy detailed in the Sustainability Plan.

Moreover, at corporate level, the sustainability area is in continuous contact with the rest of the company's areas, influencing decisions that can reduce pollution and carrying out activities that benefit the environment.

In this respect, we know that innovation and technological progress are key to discovering lasting solutions to the economic and environmental challenges we face. We remain committed to **teleworking** (4 days as a minimum requirement for the company, which can be increased according to the face-to-face needs of each department and the personal circumstances of each employee) **and videoconferencing**, both inside and outside the workplace, which also avoids sometimes unnecessary travel and trips, and **digital signatures and virtual visits** to our developments, which also contribute to reducing pollution and greenhouse gases in our cities.

We remain more committed than ever to a clean, **green, safe and more resilient economy**. Our efforts to create a more sustainable world continue: In addition to plastic reduction, selective recycling, the use of green energy and the rational use of our resources, some of our employees are involved in campaigns to maintain and clean up our oceans.

8.4. CLIMATE RISK ANALYSIS OF OUR HOMES

In line with the requirements of Appendix A of the European Taxonomy Delegated Regulation 2021/2139, the assessment of physical climate risks is necessary to satisfy the Assessment of climate risk and vulnerability section, where vulnerability, sensitivity, adaptive capacity and areas of improvement thereof must be reported for an activity to be considered aligned with the European Taxonomy.

In this context, Neinor Homes has carried out a study to identify and integrate measures to adapt to climate change based on the best practices available and on Neinor Homes' business model, based on the identification of assets vulnerable to the risks of climate change in order to contribute to sustainable development and to the requirements of the European Union'sTaxonomy of Economic Activities Regulation.To carry out the analysis, a multiple methodology was used, compiling bibliographic and documentary analysis, cartographic analysis, statistical analysis and compilation of Neinor Homes' own documentation and information.

For the study, two climate scenarios have been selected in line with the recommendations of the IPCC (Intergovernmental Panel on Climate Change) and the EU Taxonomy. These scenarios are SSP2-RCP2.6 for short-term economic activities and SSP2-RCP8.5 for long-term economic activities. In this way, the entire 21st century is covered and a sufficiently broad and short time horizon is established for the correct analysis of the set of climate vulnerabilities of Neinor Homes.

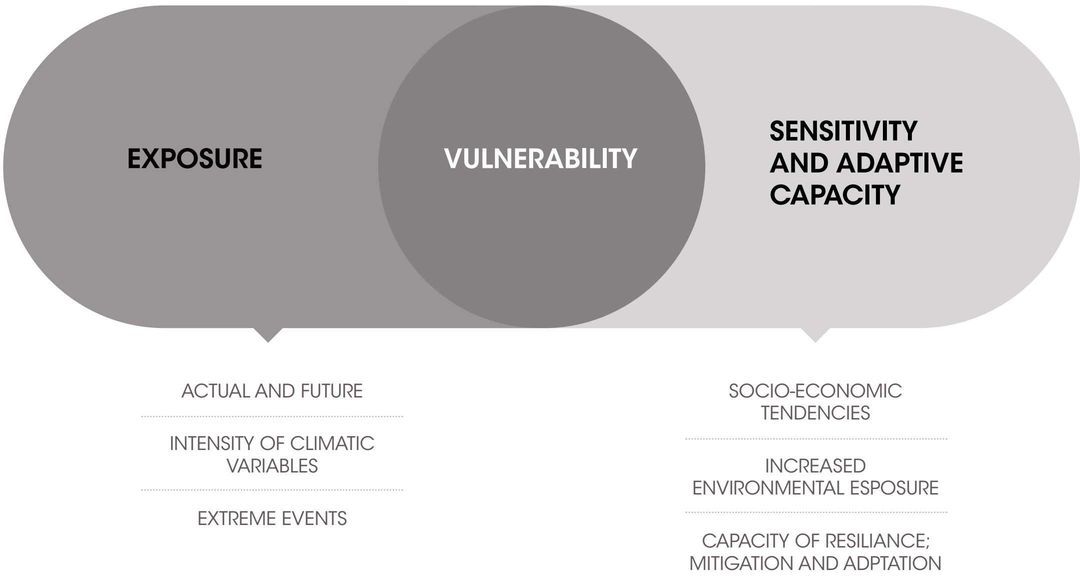
VULNERABILITY OF INFRASTRUCTURES AND PROJECTS

The EU taxonomy determines a series of climate hazards that must be taken into account for the study of vulnerability1. However, since Neinor Homes' activity is limited to the Iberian Peninsula and the Balearic archipelago, with little or no presence of property developments in high mountain areas,climate hazards such as avalanches or glacier overflows, among other hazards, are excluded from the analysis in questions.

[1] Delegated Act on Climate, Annex I, Appendix A.

Vulnerability is defined as the predisposition that a system or set of systems may be adversely affected[2]. Vulnerability has been determined on the basis of a variety of concepts such as sensitivity, exposure and adaptive capacity of a system. Vulnerability thus depends on both the exposure and sensitivity of the system and its adaptive capacity. The higher the severity of the assessed risk and the lower the adaptive capacity, the higher the vulnerability of a system.

VULNERABILITY DIAGRAM



The climate hazards that represent the maximum value of climate vulnerability based on the 80% percentile, i.e. with a high or very high vulnerability index for Neinor Homes, are:

For real estate developments under construction and Neinor Stores

- Temperature variations (air, freshwater, seawater)
- Heavy precipitation (rain, hail, snow or ice)
- Floods (fluvial, pluvial, coastal and/or groundwater)
- Heat wave

For Neinor Homes offices and rental property developments

- Temperature variations (air, freshwater, seawater)
- Heat wave
- Drought
- Water stress

[2] Climate Change: Impacts, Adaptation and Vulnerability,

ANALYSIS OF ACTIVITIES

Depending on the location and useful life of Neinor Homes' assets, a series of climate hazards have been identified that may be more accentuated in some locations in Spain than in others.

Due to the very significant climatic and geographical heterogeneity of the Spanish territory, 3 geographical areas have been identified at company level in Spain (Iberian Peninsula and Balearic Islands), in order to identify the main climatic hazards or threats that affect the economic activities of Neinor Homes in these geographical areas. These are the north of the peninsula (Cantabrian coast and Pyrenees), the interior of the peninsula (central area and areas far from the influence of the sea) and the Mediterranean coast (Andalusian coast, Levante and Balearic Islands).

Based on these three geographical areas, we have looked most closely at those climate hazards to which Neinor Homes' assets have the highest climate vulnerability index, corresponding in this case to the medium (V3), high (V4) and very high (V5) indices.

		GEOGRAPHICAL DIVISIONS		
TIME HORIZONS - ECONOMIC ACTIVITIES	CLIMATE HAZARDS	NORTHERN PENINSULAR	PENINSULAR INTERIOR (CENTRE)	MEDITERRANEAN COAST (SOUTH AND EAST)
Short Term (<10 years) **SSP2-RCP2.6**	Temperature variations (air, freshwater, seawater)	V3	**V5**	**V4**
	Heavy precipitation (rain, hail, snow or ice)	**V4**	V3	**V5**
	Floods (fluvial, pluvial, coastal and/or groundwater)	**V4**	V3	**V5**
	Heat wave	V3	**V5**	**V4**
Long-term (>30 years) **SSP2-RCP8.5**	Temperature variations (air, freshwater, seawater)	**V4**	**V5**	**V4**
	Heat wave	**V4**	**V5**	**V4**
	Drought	V3	**V4**	**V5**
	Water stress	V3	**V4**	**V5**

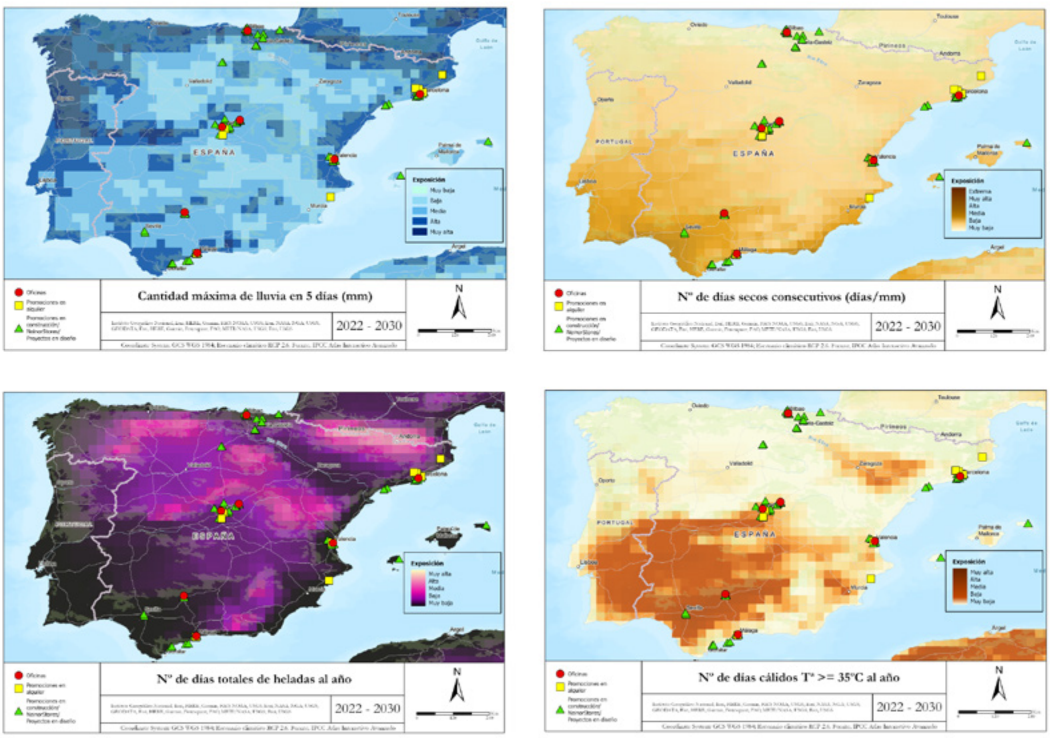
On the one hand, real estate assets under construction and Neinor Stores (short term) in the north of the peninsula have a medium vulnerability to temperature variations and heat waves. On the other hand, they are highly vulnerable to heavy rainfall and to river, rain and coastal flooding.

As regards the central peninsular area, real estate assets have a very high vulnerability to temperature-related climate risks (heat waves and temperature variations), in particular extreme heat events that are intensified as a result of the effect of continentality. In the case of the Mediterranean coast, it is observed that the assets have a very high vulnerability to both temperature and water-related climate risks, mainly due to the amount of heat energy absorbed by the Mediterranean Sea which leads to stronger storms and supercells and, therefore, increases exposure and sensitivity to severe flooding.

On the other hand, rental real estate assets and Neinor offices (long term) in the north of the peninsula show a medium vulnerability to periods of drought and water stress conditions; and a high vulnerability to temperature variations and heat waves.

As regards the central peninsular area, real estate assets have a very high vulnerability to temperature-related climate risks (heat waves and temperature variations), in particular, extreme heat episodes that are expected to increase in intensity and frequency. In the case of the Mediterranean coast, it can be seen that the assets have a high and very high vulnerability to both temperature and water-related climate risks, mainly due to torrential rainfall leading to severe flooding.

In this regard, all Neinor Homes developments have been analysed with their exposure to all the aforementioned climate riskse.



ADAPTATION MEASURES FOR PROJECTS AND INFRASTRUCTURE

Finally, in order to adapt to or mitigate the impacts of climate hazards on Neinor Homes' activity, a series of solutions have been identified to address the most significant climate hazards.

Some of the proposed measures, shown in the Status of Implementation of Measures column in the table below, have already been implemented by Neinor Homes, and therefore present an adaptive advantage in the face of some of the risks that may materialise in the future. In addition, another series of adaptation measures for each of the hazards experienced by Neinor Homes' most vulnerable projects and infrastructures have been identified and are currently being analysed for implementation.

CLIMATE HAZARDS	ADAPTATION MEASURE	APPLICATION	STATUS OF IMPLEMENTATION OF MEASURES
Heat wave and heat stress	Creation and design of parks and green spaces	P	Implemented
	Installation of green roofs	E + P	Under review
	Strategic tree planting	E + P	Under review
	Implementation of early warnings for owners	E + P	Under review
	Location and solar orientation of the building	P	Implemented
Water stress and drought	Implement rainwater harvesting systems	E + P	Implemented
	Adjust watering schedules to periods of lower evaporation	E + P	Under review
	Use xerogardening techniques for the surrounding vegetation areas	E + P	Implemented
	Installation of individual meters to measure water consumption	E + P	Implemented
	Use of high-efficiency appliances	E + P	Implemented
	Design measures for water recycling	p	Implemented
Heavy precipitation	Installation of Sustainable Urban Drainage Systems	E + P	Under review
Floods - Avoidance	Establishment of watertight walls and permanent barriers	E + P	Under review
	Temporary flood barriers	E + P	Under review
	Landscape-integrated earthworks and embankments	E + P	Under review

CLIMATE HAZARDS	ADAPTATION MEASURE	APPLICATION	STATUS OF IMPLEMENTATION OF MEASURES
Floods - Resistance	Sealing of the external walls of the building with waterproof coatings	E + P	Implemented
	Raising door and window thresholds by means of automatic or manual, permanent or temporary protection measures	E + P	Implemented
	Protection of ventilation openings or similar	E + P	Implemented
	Checking of drains and pipes, together with the state of septic tanks	E + P	Implemented
Floods - Toleration	Establishment of a good drainage system	E + P	Implemented
	Design the building to locate facilities and services in elevated areas protected from the flood level, so that material losses are reduced	P	Implemented

Promotion **Artola Homes**

8.5. URBANISATION AND ACTIVATION OF THE ENVIRONMENT

Neinor Homes, aware of the need to improve and recover the most degraded areas, is committed to a new urbanism that transforms and generates wealth: investment in projects for the revitalisation and redevelopment of urban areas, and the remodelling of industrial areas.

Three standout key activities of which Neinor Homes is a part are:

BOLUETA AREA (Bilbao)

A strategic urban regeneration project framed within a set of decisions and measures aimed at recovering, for the benefit of society, disused industrial land in Bilbao's surroundings due to its potential value for completing and renovating the city.

This project represents an opportunity to reverse the initial situation of degradation associated with obsolete industrial facilities in favour of urban regeneration and environmental recovery that will enable the integration of this area of the city into the urban, social and environmental fabric of Bilbao, with plans for the rescue and enhancement of the natural landscape.

This operation combines the intrinsic value it has as a generator of protected housing with the environmental recovery of land and spaces, and is presented as an opportunity to adapt the habitability conditions and productive facilities of the residents and pre-existing economic activities, and all this from the promotion of citizen participation in decision-making and administrative power in urban planning matters.

Bolueta Homes Development

MONTESA STRATEGIC RESIDENTIAL AREA (Esplugues de Llobregat)

The Montesa SRA is the first major housing land reserve in the metropolitan area of Barcelona.

This project is located in an area where there was a progressive abandonment and decline of nonspecialised industrial uses, which began with the demolition of the Montesa factory and the moving away of its activities.

The proposed planning defines the land as a significant opportunity for metropolitan centrality, as it has very good links to major mobility infrastructures and adjacent municipalities, and will allow for a large number of social housing units.

The amendment to the development plans for the area envisages a redefinition of the urban planning to make the transformation of the area viable, reconsidering the delimitation of zones and systems and revising the housing typologies planned.

Before

After

Esplugues de Llobregat is the smallest municipality in the Baix Llobregat (Barcelona) region, covering just 4.6 km². It borders the municipalities of Barcelona, Cornellá de Llobregat, Sant Just Desvern, Sant Joan Despí and Hospitalet de Llobregat. In recent decades it has gone from being an eminently industrial town to a service city, which has managed to retain its identity. Its unique old town and its extensive network of parks and green areas, such as the Solidaridad, Torrent d'en Farré and Can Vidalet parks, among others, are particularly noteworthy.

With the launch of the NOBA HOMES developments, we are aiming to respond to the new needs that are emerging in society, specifically in Esplugues de Llobregat; new homes that will offer a new, young, family-friendly, sustainable and distinctive city experience.

Together with the private development of each plot, the planning sets out a green space/corridor with more than 26,000m² of green areas, squares, boulevards and gardens, with new facilities that will bring together and unite all the plots in the sector, generating a feeling of open space to enjoy the pedestrian promenade, street furniture and cycle lane. The importance of this circuit in the new sector is of unquestionable commercial appeal. In the private green areas, elements of potted plants and artificial grass will prevail given the existence of basements under the flooring.

ZORROTZAURRE (Bilbao)

The Zorrotzaurre project is the latest major urban regeneration operation to be launched in Bilbao.

This is a zone that experienced an era of industrial boom in the mid-1960s, with the consolidation of industrial activities related to port activity on both sides of the Deusto canal. However, the economic crisis of the time led to a decline in industrial activity and a deterioration in the standard of living in the area as a result of the ageing of buildings and public and private spaces. Today there are barely half a thousand residents.

The urban environs of Zorrotzaurre occupy an area of 838,781 m^2, of which more than half belongs to public entities (Basque Government, Bilbao City Council and the Port Authority of Bilbao), the rest being divided between various private owners.

The General Urban Development Plan of Bilbao, approved in 1995, changed the industrial use of Zorrotzaurre to residential. At the same time, it left the definition of the urban design of the area to the drafting of a Special Plan.

In 2001, public and private owners of Zorrotzaurre constituted the Management Commission for the Urban Development of Zorrotzaurre, with the objective of promoting and executing the urban regeneration plan for the area.

The Master Plan for the project was designed by the prestigious Anglo-Iraqi architect Zaha Hadid in 2004 and revised in 2007. It incorporates the complete opening of the Deusto Canal, which means the transformation of the Zorrotzaurre peninsula into an island, thus guaranteeing the nonflooding of the area.

The regeneration of Zorrotzaurre represents an integral and balanced project, defined under criteria of sustainability, which recovers a currently degraded area to convert it into a new district of Bilbao, well connected to the rest of the city, with affordable housing, areas for non-contaminating businesses, numerous social and cultural facilities, and large areas for the enjoyment of citizens. The work on the Zorrotzaurre I and II developments is currently underway and is scheduled for completion in 2025.

Zorrotzaurre Project

OTHER URBAN DEVELOPMENT INITIATIVES

Neinor Homes has also carried out urban and industrial regeneration initiatives in other projects in Spain:

- **ARRASATE (Mondragón, Guipúzcoa)**

  Regeneration in residential use of industrial sector, demolishing and clean-up of the former industrial activity of Polmetasa. Work completed on the 2023 unsubsidised housing part.

- **ARRATE (Eibar, Guipúzcoa)**

  Regeneration for residential use of an urban sector through a Special Development Plan that has enabled the demolition and clean-up of the land on which the former El Casco stapler factory stood. Work completed in 2023.

- **AMÉZOLA (Bilbao)**

  Project for the rehabilitation of an existing industrial building, maintaining the protected D2 level façade in the inventory of the Bilbao City Council, in order to make residential use compatible.

- **LOS GUINDOS, SELENA HOMES (Málaga)**

  Demolition and clean-up of land on which there are pavilions for urban tertiary use in the centre of Malaga. Project completed.

- **MUNGUÍA (Vizcaya)**

  Demolition and clean-up of land on which the Mesa factory is located. Demolition and urbanisation pending. Basic project completed.

- **LA CATALANA R16 AND R17 (Sant Adrià de Besòs, Barcelona)**

  Clean-up and regeneration for residential use of industrial land in the La Catalana Sector. Completed project.

- **OLARIZU IV (VITORIA)**

  Clean-up to regenerate the industrial activity of the Esmaltaciones factory for residential use. Work in progress.

8.6. INNOVATION AS AN ENGINE OF TRANSFORMATION

Innovation, technology and digital transformation have been in the DNA of Neinor Homes since its inception, with the vision that its drive allows it to gain a **competitive advantage and maintain a leading position** in the transformation of the Spanish residential and real estate sector.

From a purely product point of view, new buildings are expected to be sustainable, smart, safe, adapted to new user lifestyles and different climate scenarios.

Neinor Homes has analysed the **trends forecast for the building sector** and the challenges it will face in the next 20 years, considering aspects such as ethics, transparency, customer focus, industrialisation, digital transformation, automation and new sustainable materials, among others.

In this context, innovation is one of the fundamental values that govern Neinor Homes, acting as a cross-sectional thread running through the company's three strategic pillars: Environmental, Social and Governance.

In **2024** Neinor Homes renewed the

AENOR Certification 166002:2021

it has been obtaining since 2016.

Neinor Homes is aware that the future of the sector involves a commitment to the trends and new technologies that will transform the homes of the future.

Neinor Homes leads the way in innovation in the real estate sector.

COLLABORATIVE INNOVATION

Neinor Homes is committed to the **exchange of experiences and solutions** with the rest of the real estate sector and with other sectors, in order to **seek new solutions in innovation** and adapt them to the new needs of customers.

- **Building Cluster:**
  https://clusteredificacion.com/

  The building sector is one of the strategic sectors in Spain due to its size and its economic, environmental and social importance. In this field, the Building Cluster operates as a non-profit association and is made up of companies, universities and research centres.

  The objective shared by all is to innovate in the construction of existing and new buildings of any use or tenure.

- **PTEC: Spanish Construction Technology Platform:**
  https://plataformaptec.es/

  PTEC aims to contribute to the improvement of the construction sector through public-private cooperation in research, development and innovation, carried out between companies, business associations, universities, research centres, technology centres and customers.

- **Implementation of the Life Cycle in all works: LCA Neinor**
  https://itec.es/infoitec/sostenibilidad/neinor-homes-implanta-el-analisis-del-ciclo-de-vida-en-todas-sus-obras/

  Implementation of a digital tool in all works to carry out Life Cycle Analysis and quantify their environmental impact automatically, according to the different stages of the manufacturing process, construction, use and end of life.

  Project backed by the independence of the Institute of Construction Technology, whose environmental database BEDEC Sustainability provides rigour and transparency.

  This is an innovative initiative that confirms Neinor Homes' commitment to the environment and sustainability in its strategy to reduce the Scope 3 carbon footprint. Fundamental objectives to decarbonise the development sector and respond to the housing needs that exist in Spain without compromising the future of coming generations.

- **Hobeen (free-of-charge innovative app) and Neinor Homes cooperation agreement**
  https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinor-homes-ayudaa-sus-clientes-a-ahorrar-hasta-n-704121.

  Neinor Homes is offering an innovative service that is a **#pioneer** in the sector, thanks to the signing of an agreement with **Hobeen** so that our customers can constantly monitor their energy consumption and ensure **#savings** in their day-to-day life, promoting a more **#sustainable** and environmentally responsible lifestyle.

- **Neinor Homes is participating in the international INDICATE project to quantify and establish limits on the carbon footprint of buildings**

  https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinor-homescolabora-en-el-proyecto-indicate-n-724735

  An initiative, coordinated by the University of Seville and GBCE, which seeks to establish a unified methodology for calculating the carbon footprint in the construction sector.

  Neinor Homes, as a pioneer in the LCA calculation of its projects, has provided the global warming potential (GWP) data of several of its developments throughout their life cycle. This cooperative effort underlines Neinor Homes' commitment to reducing the carbon emissions of its developments throughout their life cycle, marking a key milestone in the promotion of sustainability in the construction sector.

AGREEMENTS WITH SUPPLIERS

In addition, Neinor Homes is actively working through technology and research and development, together with many of our main material suppliers, to reduce our emissions and increase the recycling and reuse of waste (cases and agreements detailed in the environmental sections 8.2 and 8.3); the impact in the media is set out below:

https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinor-homes-consolida-sualianza-con-cemex-para-n-644675.

https://www.bolsamania.com/noticias/empresas/neinor-homes-alia-cortizo-uso-aluminio-pvc-recicladoproyectos--14716524.html

https://www.estrategiasdeinversion.com/actualidad/noticias/bolsa-espana/neinor-homes-firma-un-acuerdo-con-porcelanosa-n-673523

https://www.europapress.es/economia/noticia-neinor-homessaint-gobain-firman-acuerdo-impulsar-construccion-sostenible-20240109120811html

https://www.bolsamania.com/noticias/empresas/neinor-homes-yuponor-colaboran-para-reducir-la-contaminacion-en-laconstruccion--15923190.html

COOPERATION AGREEMENT WITH CEMEX VENTURES

In 2024, a collaboration agreement between CEMEX will be maintained Ventures, the Corporate Venture capital of CEMEX and Neinor Homes with the objective of **establishing synergies** to improve the construction and promotion industry. With this collaboration both companies **will exchange information about *startups*** that may be of interest.

INNOVATION PROCESS IN CONSTRUCTION

At Neinor Homes we understand industrialisation to be a **holistic process of integrating all the design, planning and construction processes** in which people, processes and technology play a fundamental role. That is why from the outset we have opted for the implementation of all its projects in **BIM**, a digital work environment that allows the degree of cooperation between agents and the flow of information and resources necessary for the development of industrialised construction. We are developing an open industrialisation that allows us to adapt to the needs and requirements of each project. Depending on the typological and morphological characteristics of the product, requirements and location of the plot, as well as cost, time and sustainability needs, we select the systems that best adapt to these circumstances. There are several projects in which we have incorporated industrialised construction processes and elements for the construction of the structure or façades.

DIGITAL TRANSFORMATION

At Neinor Homes we understand digital transformation to be **part of our corporate culture**, as a vision and a way of doing things, rather than as one or several projects. For this reason, it is something that we imprint on all elements of the company.

We have various **internal applications for the use of the staff**, which digitally controls their shifts, their holidays or teleworking and allows them to access general information, such as the company's organisation chart.

Moreover, technology is something we apply throughout the entire real estate value chain, from the selection of land to the study of its suitability, to the feasibility of the project, to how we build.

ACONEX

Having a document manager for the organisation is essential in order to promote communication, information and project management.

Aconex is working on the integration of this tool so that the information is organised and accessible, whatever the project, all in the same way.

WHAT HAVE WE ACHIEVED SO FAR?

1. **Common** documentation **management system** in the company:
   - Between departments and with external partners.
   - Training for the main departments involved inside and outside DGO.
2. Daily and personalised **advice**. Monitoring and support from key people within the company to ensure that the tool is used correctly
3. Use of ACONEX for **tenders** by the **Purchasing** Department
4. Updating of **support documentation and** customised **videos** applicable to Neinor projects.
5. **Close of development documentation:** compilation and uploading to the Platform of various developments.
6. Creation of the **"Neinor Homes" project** for the company's general documentation.
7. Creation of the API for massive uploads in several projects at the same time.
8. Access for a large number of co-workers.

WHAT ARE THE OBJECTIVES ACHIEVED WITH THE TOOL?

Creation of **workflows:**:

- Commercial documentation.
- Project phases.
- [..]

- Single use for all documentation management (internally and externally).
- Correct file naming and labelling.
- Version management.
- Traceability.

Reducing the documentation load in F: **Upload all common company documentation to Aconex**: Upload procedures and templates

SUPPLIER PORTAL

- Ease of signing up of suppliers and receipt of invoices.
- Reduction of deadlines and costs.
- Increased visibility of invoice status.
- Avoiding risks of CEO-type payment attacks.

DIGITAL SIGNATURE

- Through digital signatures, contracts can be signed digitally without the need to sign them in person.
- Implemented in the purchasing area, for the signing of works contracts and framework agreements and for commercial for customer reservations.
- **+ 4,667 transactions signed in recent years.**

ONLINE SALE / RENTAL

- Immediate availability, with information updated in real time: a customer can purchase at any time.
- Reduced fees and commissions: as we are direct sellers we avoid commercial intermediation payments.
- Global reach: we are extending our borders and opening up to international buyers, who can buy from Spain and from any country.
- Competitive advantage over competitors: online sales are becoming more and more common in all sectors, including property development. Being the first to implement it reinforces our brand image and strengthens our track record, as well as putting us ahead of the competition.
- Low-cost sales channel: once the first technological investment has been made, it does not require significant amounts of maintenance. The investment in processes derived from its implementation is used to obtain synergies in other aspects; digital signature, automatic synchronisation with Prinex, WEB synchronisation, etc.

INVOICE APPROVALWORKFLOW

We have succeeded in automating the process of invoice endorsement and approval for real estate business anytime, anywhere and from smartphone or tablet.

This provides managers with an easy-to-use endorsement tool, for use in any location without having to be connected to the ERP.

This allows us among other things to:

- Endorse invoices with a choice of different routes for the final approval of each invoice.
- Authorise payments by providing remarks or reasons for refusal, if any.
- Consult all the information on an invoice, as well as the documentation associated with it.
- Know the budget allocations that each invoice line has.

PURCHASE REQUESTWORKFLOW

We manage all purchase requests from the time they are registered with each of the companies until they are approved.

This also allows us to monitor the quantities requested compared to those budgeted to immediately detect deviations.

It is possible to allocate invoices from the approved purchase requisition until fully consumed.

AFTER SALES APPS

Aimed at improving and providing a better service to our customers through complete functionality, to be able to carry out a proper management of after sales services as a key and stand-alone feature.

This is available via a mobile phone app for the visitor role, and via web app for the supervisor, allowing, among other things:

- Creation of pre-sales and post-sales incidents during the same visit to the property in a quick and easy way (with photographs, documentation and customer approval) and all from a smartphone or tablet.
- Incident management by the supervisor: assignment to suppliers, transit of incident statuses, etc.
- Issuance of work reports to suppliers.
- Creation of Big Data for exploitation.

CUSTOMER PORTAL

Improved customer service, allowing you to access all the information of your sales and rental contracts anytime, anywhere and from any mobile device.

- Strengthens and optimises your service to the customers of your real estate company.
- Allows buyers and tenants to immediately access their contract information.
- Accessible from anywhere.
- Easy access to your contractual details, financial data and images.
- Manages your payments, invoicing and property incidents.
- Finds information about your properties and real estate.
- Customises your experience with the options available on the Prinex Customer Portal.

DGO GUARANTEES

WEB application for the management of bank guarantees received, maturity calendar and automatic e-mail alerts management.

PURCHASING APP

Web platform for purchasing department management, divided into the following main modules:

- Developments
- Companies
- Recruitment (recruitment database)
- Framework Agreements (services)
- Approval notes (related to supplier evaluation)
- Tenders (ratios, savings tables)
- Price (database of items/references per development)

A series of Power BI files have also been designed to obtain interactive graphics.

APPROVAL OF SUPPLIERS

All suppliers working with Neinor, including Architects and Construction Companies, must be previously approved in line with the quality levels required by Neinor. The updated approval table can be found in the Purchasing App. Re-approval is annual.

EVALUATION OF SUPPLIERS AND SUBCONTRACTORS

- **Suppliers**: All approved suppliers working with Neinor are periodically evaluated through an app. Both scores (evaluation and approval) generate an overall score for the supplier which is recorded in the Purchasing App.
- **Subcontractors**: The subcontractors contracted by the builder are also evaluated in order to keep a record of each one and to avoid working with those, if any, that have not given good results on site.

FRAMEWORK AGREEMENTS

- **Web platform** for monitoring framework agreements with various manufacturers nationally. Access from two types of user profile.
- **Project Managers**
- **Neinor Purchases**

Entries for manufacturers with whom we have a framework agreement for the calculation of the agreed rebate are compiled by development. A PowerBI has also been designed to obtain graphs.

And, last but not least, we apply technology to the end of this chain, which is customer service for customers who have already bought a home with us. For this purpose, we have Neinor Experience, made up of a great team that responds to any incident or doubt that the customer may have, accompanying them at all times from the moment they reserve their home, while it is being built and even after delivery, all through both traditional and digital channels.

Our approach to innovation is aimed at covering the entire value chain of the company, from the study for the purchase of land to the after sales of the development delivered. Throughout the entire process, needs have been identified and cross-sectional projects have been defined to cover these needs.

In this way, as the leading residential platform in Spain, we apply our vision of digital transformation to all of the company's business lines.

At Neinor Homes we use and have **incorporated technology and various digital enablers** throughout the entire product lifecycle.

- We support land acquisition through our Big Data tool that allows us to take better decisions. This **Big Data** tool provides us with a great deal of data about a piece of land, an area, how prices are going to behave etc., which allows us to make decisions based on concrete data, not on intuition, and that ultimately allows us to mitigate risk. But data without knowledge is useless. We need the human factor and experience to know how to interpret this data, and that is where Neinor Homes provides stand-out value, thanks to the combination of technology with the best professionals in the sector.
- From the design to the construction of the homes, we incorporate **BIM**, which allows a cooperative work methodology that centralises all the information of a project in a digital model.

BIM

One of the most important projects within the Operations Area has been the commitment to the digitalisation of our developments in all their phases, starting with an integrated management of the project phase, in order to be able to close the circle with the construction phase in the near future.

To date **we have achieved**:

1. Digitisation of design procedure templates
2. Project teams use 3D modelling to develop projects and produce information
3. Project managers and other design participants integrated in the processes with more than 50h of training
4. Incident management, change control and design coordination 100% online
5. Automatic generation of the Digital Twin
6. Integration of plans extracted from the model and instant information from the cloud
7. Automation of the export of rooms and area control on the model
8. Centralised cooperation between architecture and engineering
9. Integration of tools and workflows for geometric control with more than 230 automated online rules
10. Online and desktop measurement control system integration
11. Auditing of models complying with measurement and geometric control

Current Situation

2024 Objectives

1. DIGITISATION OF THE CONSTRUCTION PROCEDURE TEMPLATES
2. UNIFY IFC MODELS AND EXPAND THEIR USE FOR CONSTRUCTION
3. INTEGRATION OF VERIFICATION LISTS AND REWORKING CHECKLISTS 100% ONLINE
4. CONSTRUCTION MANAGERS, PROJECT MANAGERS AND OTHER PARTICIPANTS INVOLVED IN THE CONSTRUCTION PROCESS WITH MORE THAN 50 HOURS OF TRAINING AND INTERNSHIPS*
5. CONTROL, MANAGEMENT AND DISTRIBUTION OF PLANS ON SITE 100% ONLINE
6. CHECKING OF THE AS BUILT THROUGH THE MODEL
7. INTEGRATION OF TOOLS AND WORKFLOWS FOR THE CONTROL OF PLANNING ON THE MODEL IN REAL TIME
8. INTEGRATION OF WORKS, VISUALISATION AND MANAGEMENT THROUGH MOBILE PHONES
9. MODEL AUDITING FULFILLING PLANNING MEASUREMENT AND GEOMETRICAL CONTROL

* With more than 50 hours of training and internships.

TOOL DEADLINES

We have achieved:

- Optimisation of the company's internal processes
- In response to this, a Deadline Management tool has been built to improve the coordination and monitoring of our processes, leading to a reduction of internal efforts and an improvement in the delivery times of our developments.
- Knowledge in real time of the status of tasks and projects.

Territorial Director who wants to know when the draft infographics will arrive.

Marketing agent who needs to know when the marketing pack will be available.

Marketing manager who needs to know when the Basic Plans will arrive to send them to infographics and mock-ups, etc.

- Save **time by eliminating meetings** dealing with to-do's, status updates and spreadsheet updates.

Thursday meetings (Launch 1st GO).

Meetings in each territory to gauge the status of pending launches.

- Improves teamwork productivity irrespective of physical location.
- It has **task notifications**, so it is harder to miss something important.

Working with increasing volumes increases the possibility of forgetting things.

Notifications make it easier to organise the tasks to be carried out during the week.

- All persons assigned to a project can **consult project files and documents,** without having to request them by mail, which **speeds up work and decision-making**.

Back Office will not have to chase the various departments so that they send the information by mail.

Marketing agents will not be so insistent on knowing when the marketing pack will arrive.

- Allows comments to be **entered, partially eliminating the sending of emails** and logging a history of the conversation.

Possible oversights when copying someone involved.

Eternal searches for e-mails proving "I told you so" …

- All **tasks and updates are synchronised and in the cloud**, so information is always backed up and secure.

This eliminates the possibility of not knowing what the final infographics are.

- For the marketing of our homes we apply various technologies both in the physical and online channels:
- On the one hand, we have created Neinor Stores, a technological sales space that allows us to increase the satisfaction and knowledge of our customers, where we combine Virtual Reality, interactive screens and real-time analysis tools to better understand the profiles and needs of our customers.
- On the other hand, we now allow online booking and are working to complete the home buying process in an online environment, increasing the accessibility, simplicity and intelligent conveyance of the property to increase and guarantee the confidence of our customers.
- In the delivery of our homes, our **Neinor Experience** digital platform allows us to control the entire process digitally, from the deed signing process to the after sales process.

It is also worth highlighting the developments we are implementing to promote our new **Neinor Rental** business line, with which we have the first platform capable of offering 100% of the rental services. In this regard, within this business line we are working on the development of online booking and rental.

09

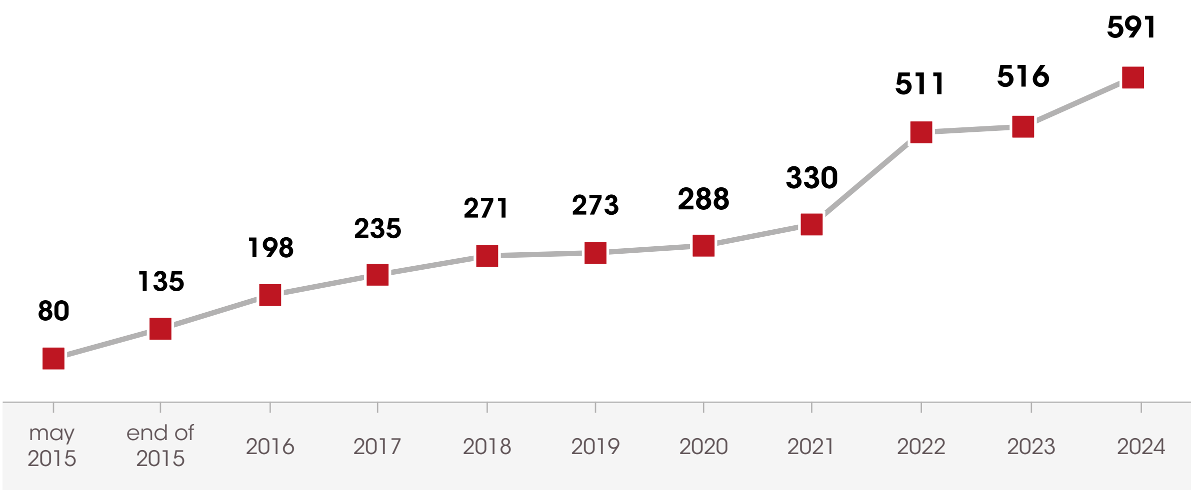
WE HAVE A **COMMITTED TEAM**

One of Neinor Homes' priorities is to offer its human team an **attractive environment** where they can develop professionally and where they can reconcile their personal life with their work. All of this is based on **equal opportunities, transparency, health and safety.**

Neinor Homes is a benchmark company in the real estate sector, offering an **attractive environment in which to work,** generating quality employment, fostering the development of talent and continuous training and promoting well-being, work-life balance and safety. The company always seeks **maximum transparency in communication and involves the entire workforce in the innovation and growth** of the company. Only by working daily with all these values in mind can we be at the forefront in a sector that increasingly demands **greater dynamism and professionalism**.

Since its creation in 2015, Neinor Homes has grown exponentially increasing its workforce by a factor of 7.4 in those 9 years. This requires effective people management, which is determined by a **Strategic Human Resources Plan** closely linked to the company's three strategic pillars.

STAFFING TRENDS



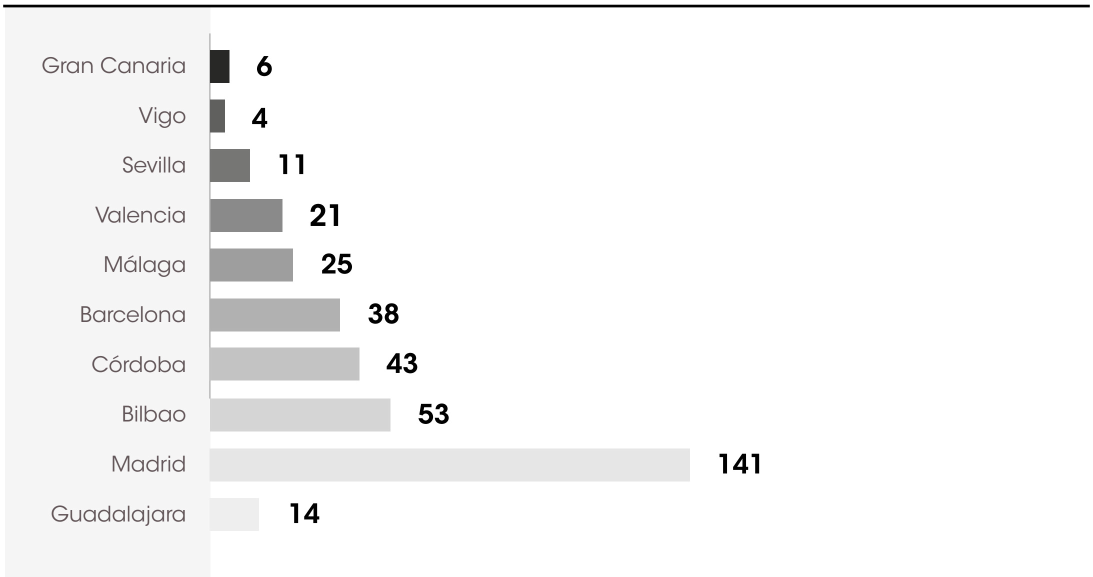
In 2024 Neinor Homes had a workforce of **356 employees*, 51.12% men and 48.88% women**. Neinor Homes is committed to talent and professionalism when it comes to putting together its work teams, which is why it has a great diversity of profiles. In this regard, the **average age** of employees in 2024 was **46.03 years.**

*Employees of Renta Garantizada (39) and Quabit Construcción (196) that are being integrated into the group are not included in these calculation.

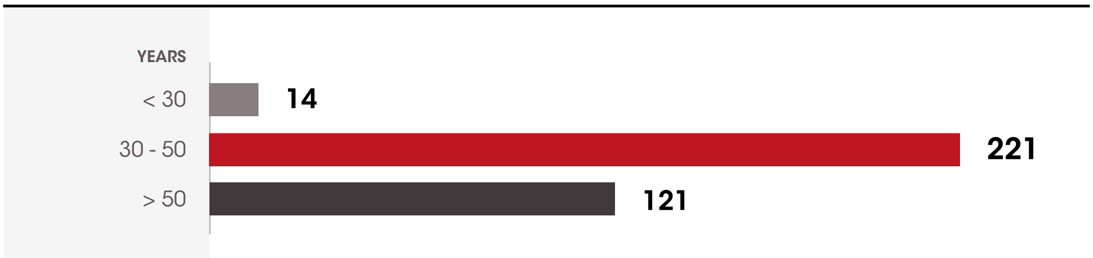
In 2022 the number of employees increased considerably due to the Group's inorganic growth through two corporate operations that incorporated Renta Garantizada and Quabit Construcción to the business. As mentioned earlier, in 2024 the company took on a new growth challenge by acquiring a 10% stake in the property developer Promotora Habitat, taking on 100% of its workforce and thus growing exponentially in terms of assets, personnel and workplaces.

Currently, it is located in **10 territories** throughout Spain: Madrid, Bilbao, Cordoba, Barcelona, Malaga, Valencia, Guadalajara, Vigo, Gran Canaria and Seville.

GEOGRAPHICAL DISTRIBUTION OF STAFF*



DISTRIBUTION OF THE WORKFORCE BY AGE RANGE*



Neinor Homes is a company committed to the differential value of its candidates/employees. In some cases, this is a given due to specific training and qualifications and, in many other cases, to years of experience in the sector.

As shown in the graph above, more than 62% of the workforce is between 30 and 50 years of age. In addition, 129 new employees joined the company in 2024, 75 of whom were over 45 years of age.

This is a very significant figure and is seen as a very important value in the company. In our opinion, in the future, age discrimination is going to be one of the biggest forms of discrimination in the business world and this is already becoming apparent. In this connection, Neinor Homes is taking advantage of the knowledge that these employees possess, thanks to their extensive working history: more than 33% of its workforce reflects this fact.

At Neinor Homes*, **99,45% of employees are subject to the construction industry collective bargaining agreement** in force in the autonomous community in which its headquarters are located, and 0.55% subject to the real estate management and mediation agreement. In addition, freedom of association is guaranteed and union representatives are provided with meeting rooms for their meetings, with trade union representatives affiliated to the ELA union in Bilbao, and in Cordoba to the UGT and CCOO unions. Collective agreements in the construction sector establish the health and safety aspects of the sector's activities, including issues such as the minimum safety provisions applicable on construction sites and health and safety training to be provided.

*Not including the employees of Renta garantizada (39) or Quabit Construcción (196) who are being integrated into the group.

We consider that measures at the social level and analyzes and information offered by the HR team in this matter, is representative of the majority of the staff that works at Neinor Homes.

Quabit Construction's relevant staff data and information would distort the overall data, to the extent that the characteristics of the business and its peculiarities are totally different; for having the masculine gender as the most representative in the works (motivated by the type of sector), because the type of contracting is very different between construction companies and offices, due to the different accident rate that exists between construction companies and offices, and by multiple other factors.

In this sense, we believe that it is better to break down the information of Quabit Construction, taking into account the uniqueness they have construction companies. We show the main data of information corresponding only to the part of the construction company and we have considered that it is better to separate it in this way while that we are giving the detailed breakdown of Neinor Homes throughout the information provided by the HR team specifically with anteriority.

Given the materiality of said template, below we show the following data from the construction company that we consider relevant to HR matters.

As of December 31, 2024, the number of employees with whom Quabit Construction had 96. Among them, 2 of They had disability certificates.

- There have been 21 work accidents, of which 8 have been with sick leave and 13 without it. All of these 13 accidents without sick leave were minor accidents.
- The company carries out exhaustive and rigorous monitoring of the safety measures on site, providing training on this matter to their employees.
- The number of training hours has been 729 hours.
- The absenteeism rate has been 6.59%
- In fiscal year 2024, parental leave has been requested (maternity, paternity, breastfeeding...) for a total of 5 employees, assuming casualties due to said permits of 595 days.
- The average salary by **Quabit categories** is:

	AVERAGE SALARY
Senior Managers	**190,280**
Engineers and Technicians	**46,446**
Administra5ve	**25,064**
Produc5on Staff	**32,982**

9.1. EQUALITY AND DIVERSITY

Neinor Homes is firmly committed to **equal opportunities, non-discrimination and respect for diversity**, which is also reflected in the principles of its Code of Ethics and Code of Conduct with third parties and in its Diversity and Non-discrimination Policy. The best proof of this is that there is practically **parity between men and women** among its employees, which is remarkable considering the particularities of the sector in which it operates. There are currently 13 women in STEM (Science, Technology, Engineering and Mathematics) or similar positions, and 32% of management positions are held by women. However, at Neinor Homes, equality is applied in a broader concept than gender, as it aims to promote equal rights and obligations for all people. In this regard, the company's practices are aimed at complying with the **ten Principles of the United Nations Global Compact**, and the 17 Sustainable Development Goals (SDGs), particularly in this case those relating to **human rights, labour and equality**.

Equality Plan approved in 2023.

At Neinor Homes, there have been no complaints of human rights violations, respecting freedom of association and collective bargaining as evidenced by the interrelationships with workers' delegates and committees. There is no employment discrimination of any kind and no forced or compulsory labour is carried out.

The Board of Directors of Neinor Homes has approved a **Diversity and Non-Discrimination Policy** that establishes the criteria and guidelines to achieve equal treatment and opportunities and to eliminate any type of discrimination based on gender, origin, age, race, culture, ideology, religion or disability.

Moreover, no complaints of discrimination or inequality have ever been received.

In addition, in 2023, the **protocol for the prevention of sexual and gender-based harassment was** approved.

Diversity and non-discrimination policy **guidelines**:

PROMOTING EQUAL OPPORTUNITIES

Guarantee for all employees of equal treatment and equal opportunities in terms of access to employment, job classification, performance evaluation and promotion, remuneration, training and work-life balance.

RESPECT FOR DIVERSITY

Rejection of any discriminatory or intolerant behaviour in the organisation, considering diversity as a value that contributes different visions and promotes the generation of new ideas and creative and innovative alternatives.

INTEGRATION AND INCLUSION

Cooperation and teamwork so that all professionals, irrespective of their seniority in the company, previous experience or any other condition, can form part of the company, with a strong commitment to the inclusion of specific groups with different abilities.

CONDUCT OF THIRD PARTIES

Extending of commitments to respect diversity and non-discrimination to all stakeholders, particularly with regard to raising awareness among suppliers and contractors.

WORK ENVIRONMENT

Preserving a harassment-free environment at work, fostering an atmosphere of respect and acceptance, strengthening the company's diversity, inclusion and non-discrimination awareness and culture, and guaranteeing freedom of association rights as set out in international standards.

EQUAL PAY

The Board of Directors of Neinor Homes strives to ensure that remuneration for positions of equal responsibility and functions is the same throughout the company.This is because avoiding discriminatory biases in remuneration is key to fostering an environment that promotes diversity, which is considered one of the main values of the company's human capital.

Neinor Homes guarantees respect for equal pay and has reflected this in its Diversity and Non-Discrimination Policy. Furthermore, in its 2022-2025 Sustainability Plan, it is committed to introducing measures to eliminate the wage gap, in line with the company's goal of achieving wage parity among employees. The Human Resources department is responsible for ensuring that this course of action is implemented between 2022 and 2025.

The remuneration structure of all professional and responsibility categories in the group is conceived under the criterion of gender neutrality. Furthermore, in order to promote wage parity, Neinor Homes monitors and compares the annual salary of women and men, at all management levels, during the salary review process that the company carries out annually, and which is based on the individual performance assessment and common criteria for both genders.

Based on the principle that men and women are entitled to equal pay for equal work (salary equality), the difference between the average pay received by men and women (pay gap) has been calculated.

In the area of remuneration, 100% of the company's employees are covered by general collective agreement terms, thus improving the minimum conditions established by the various employment regulations. The Collective Agreements govern the remuneration received by the employees subscribed to them, and in particular establish criteria of equity between similar jobs, thus avoiding the existence of gender discrimination and the wage gap between equivalent jobs. However, the mathematical calculation of the pay gap, understood as the difference between the average hourly remuneration of men and women compared to the average hourly remuneration of men, is 40.97%, the **average remuneration of the Group being €55,521: €69,472 for men and €41,009 for women**.

The information obtained from this analysis will be used to study the data by line of business and level of responsibility to define whether there is a gender gap in jobs of equal activity, or whether the difference is due to any other cause (seniority, performance, results, etc.). Neinor Homes' objective is to eliminate any cases of this type of inequality that may be detected.

GENDER PAY EQUALITY ANALYSIS[1]

CATEGORY	AVERAGE REMUNERATION	N° OF PERSONS	AVERAGE AGE	AVERAGE LENGTH OF SERVICE	% VARIATION	ADJUSTED AVERAGE REMUNERATION	ADJUSTED % CHANGE
TOP MANAGEMENT					**68,29%**		
Men	259.980€	9	46,32	8,78			
Women	82.456€	3	44,97	10,85			
AREA MANAGERS					**-0,79%**		
Men	102.548€	36	54,41	10,30			
Women	103.359€	8	49,58	9,86			
MANAGERS							
Men	62.488 €	42	47,99	7,32	19,13%		
Women	50.534 €	30	45,7	8,91			
TECHNICAL STAFF							
Men	45.569 €	72	43,98	6,04	12,35%		
Women	39.943 €	68	42,69	6,89			
ADMINISTRATIVE							
Men	26.899 €	17	46,31	6,58	-0,44%		
Women	27.017 €	64	44,73	8,54			
SITE PERSONNEL							
Men	46.689 €	6	53,02	2,52			
Women	0 €	0	0	0			
GRAND TOTAL	**55.521€**	**355**	**46**	**7,82**	**40,97%**		

[1] Remuneration is calculated on the basis of the contractual conditions of each employee.
[2] In the Equity Analysis table we have 355 since the CEO is not taken into account.

COMPARATIVE SALARY GAP VARIATION

	%VARIATION		ADJUSTED % VARIATION	
	2023	2024	2023	2024
TOP MANAGEMENT		**68.29%**		
AREA MANAGERS	**29.76%**	**-0.79%**	**19%**	
MANAGERS	**22.63%**	**19.13%**		
TECHNICAL STAFF	**16.11%**	**12.35%**		
ADMINISTRATIVE	**2.97%**	**-0.44%**		
SITE PERSONNEL	**40.89%**			

The 68,29% pay gap in the Top Management category in the 2024 financial year is so high because it corresponds to the inclusion in Top Management of 4 female employees, who had less responsibility and were not part of Top Management in previous years.

However, in the rest of the categories a significant decrease is reflected, highlighting the category of Area Directors, where not only has the gap been reduced, but in 2024 the average remuneration of women is 0.79% higher in proportion to that of men.

It can be said that the company has had a positive effect on the reduction of the gender gap; a reduction substantially reflected in each different category and ratios.

The underlying cause of the pay gap existing in certain categories is the lower presence of women in the workforce, a situation common in the development and construction sector, and which is accentuated in senior management positions, area managers (the two areas with the highest remuneration) and site personnel.

A clear example of this is that, if we focus on the administrative category, the number of women in it was higher and the average salary was higher for women than for men (0.44%). By the end of 2024 there was greater equality between men and women, with the following figures: 48.88% women and 51.12% men.

The Sustainability Plan sets out a commitment to introduce measures to increase the number of women in management positions between 2022 and 2025.

This is a sector in which there is a greater presence of men than women and although in recent years greater equality is being achieved, the reality is that when it comes to hiring experienced professionals, equality here is much more difficult and sometimes practically impossible for some positions/categories, such as construction work, for example.

Neinor Homes defends salary equality and is committed to reducing the pay gap. To mitigate this situation, in 2023 Neinor Homes has approved its Equality Plan, for the preparation of which it has reviewed that the commitments and plans in terms of equality are aligned with the European Strategy for Gender Equality 2020-2025 and with national legislation.

The approval of the Equality Plan represents the attaining of a milestone of the 2022- 2025 Sustainability Plan. The next milestone to be reached, also included in this Plan, is to train in equality and diversity (as a minimum) the management team, those responsible for selection processes and the members of the Equality Committee (the composition of which is defined in the Equality Plan). This milestone has been materialized in 2024, training the entire workforce in equality and prevention of sexual and gender-based harassment, in addition to training to those responsible for selection in specific training in selection with a gender perspective.

With regard to **remuneration equality of the Board of Directors** of Neinor Homes, this is fully in place and there is no difference between the salary received by men and women, as detailed in the Remuneration Policy and in the Annual Remuneration Report.

The remuneration of non-executive Directors, who qualify as "independent" and "other external", is as follows:

Fixed remuneration:

- Pr-Chairman of the Board: €121,325 per year;
- Other independent and other external directors: €89,675 per annum each.

Per diems for attendance at meetings of the Board and its Committees:

- Board meetings: €3,000 per meeting;
- Committee meetings: €1,500 per session of each Committee.

The average amount received in 2024 by the 4 Independent Directors (1 woman and 3 men) was €132,212.

Given the above, the only thing that makes the salaries received by Directors different is the allowances for attending Board and Committee meetings, which in turn depend on the number of Committees on which the Director sits and the number of times they meet during the year.

In 2024, the Board met 15 times, the Audit and Control Committee 8

* The gap is explained by more work experience and more seniority in the company.

times, the Appointments and Remuneration Committee 4 times and the Land Investment Committee 4 times. Some of the meetings were held in writing, which did not give rise to any entitlement to attendance fees. The remuneration of each Director, both annual remuneration and attendance fees (per diems) are described in the Annual Remuneration Report.

EQUALITY PRACTICES AND MEASURES ADOPTED AT NEINOR HOMES

- **Access to employment:** definition of requirements in job offers that provide equal employment opportunities and non-discriminatory recruitment and interviewing processes.
- **Performance evaluation and promotion**: use of objective and egalitarian criteria when evaluating the performance of employees and their promotion. In addition, the presence of women on governing bodies is encouraged.
- **Remuneration**: seeking homogeneity by professional category to reward employees according to their development and performance evaluation, not encouraging the existence of unjustified inequalities.
- **Training**: Training courses for all members of the company to improve and broaden their knowledge for the development of their job.
- **Work-life balance**: definition and implementation of 13 measures that favour equality and that reconcile and integrate professional activity with family and personal responsibilities.

The Human Resources Department, together with the GRC Department, will ensure compliance with and application of this Equality Plan, in collaboration with the rest of the departments that make up Neinor Homes. For its part, the Internal Audit Department periodically reviews and reports on compliance with the guidelines of the Diversity and Non- Discrimination Policy. At Neinor Homes we **had 6 employees with different abilities during 2024**, in addition to directly working with **3 subcontracted cleaning workers** who provided services in our work centres for the correct maintenance of the offices.

9.2. PROFESSIONAL AND PERSONAL DEVELOPMENT OF THE EMPLOYEES

The achievements so far and the continued growth of the company have resulted in **129 new recruits in 2024**, **of which 118 became part of the workforce in October 2024, after the taking over of the management of the assets of the developer Habitat. Of the remaining 11 new recruits, these were technical and commercial positions where the company recruited 5 women and 6 men**.

Of the 129 new recruits, 65 have been women and 64 men, 10 are under 30, 70 are between 30 and 50 and 49 are over 50. This has been made possible thanks to **the search for the best professional training and the attraction of talent** in the recruitment process.

In 2024 the recruitment rate is **7.48% (it is important to have keep in mind that with the hiring rate we are doing reference to the % of incorporations as a consequence of a process of selection -11 hires- and not of personnel subrogation).**

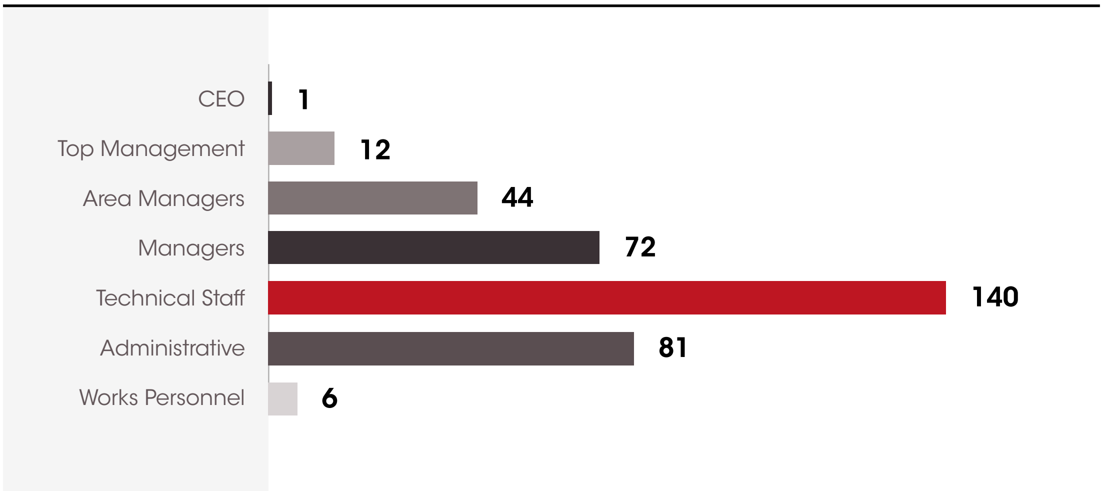
In 2024 we worked hard to **internalise the selection processes for as many positions as possible** in order to be able to rely on the valuable information that facilitates these processes having closed **100%** of new hirings by this means, despite it being a year in which the structure of the workforce has been consolidated, and the number of new hires in terms of promotional activity has been less than 5% and has mainly involved technical positions, where the requirements for the positions has made it impossible to evaluate internal candidates. Even so, the company remains committed to the talent of its teams and studies the possibility of growth and promotion on each occasion, with **two internal promotion having taken place in 2024**.

Neinor Homes defends **quality employment** and fosters a sense of belonging among its workforce and its consolidation, which is why practically the entire workforce, 99.44%, has a permanent contract, 98.87% of which are full-time, including medical insurance. Despite the fact that the competition is attracted to its valued workers, and it continues to be a focus for recruitment for head-hunters and recruitment experts, the **turnover rate** in the 2024 financial year was **11% (in 2023 turnover rate was 12%)**. We can affirm that each year we have more experienced staff, with greater seniority, which allows us to be without doubt a consolidated benchmark in the real estate sector.

Neinor Homes has a consolidated team of professionals with extensive experience in the industry who are committed to its growth as one of the leading developers in the market.

In 2024, the number **of non-voluntary terminations was 17**: 6 women (between 30-50 years old) and 11 men (5 between 30-50 years old, and 5 over 50 years old). The total number of dismissals, most of which were due to objective causes, continue to be the result of organisational restructuring processes. During the last two years we have tried to relocate as many colleagues as possible to other areas, but in 2024, despite the effort, we have had to dismiss some colleagues due to oversizing and a lack of workload in some departments.

DISTRIBUTION OF STAFF BY PROFESSIONAL CATEGORY



DISTRIBUTION OF STAFF BY TYPE OF CONTRACT

DISTRIBUTION OF STAFF BY TYPE OF CONTRACT

	WOMEN	MEN	< 30 YEARS	30 - 50 YEARS	> 50 YEARS	CEO	TOP MANAGEMENT	AREA MANAGERS	MANAGERS	TECHNICAL STAFF	ADMINISTRATIVE	SITE PERSONNEL
PERMANENT CONTRACTS	174	180	14	221	119	1	12	44	72	138	81	6
TEMPORARY CONTRACTS	0	2	0	0	2	0	0	0	0	2	0	0
FULL-TIME CONTRACTS	171	181	13	220	120	1	12	44	72	140	77	6
PART-TIME CONTRACTS	3	1	1	1	1	0	0	0	0	0	4	0

Neinor Homes is committed to the professional growth of talent within the company, favouring the evolution and development of its employees. In relation to this, **annual salary reviews** are carried out of fixed and variable salary, which are directly linked to the employee's performance and their ability to achieve the company's objectives.

Neinor Homes works with universities and schools; we offer internships in the company with the possibility of future recruitment. In 2024, 2 internships and 1 traineeship contract have been signed up.

ATTRACTIVE AND FLEXIBLE REMUNERATION

Neinor Homes has implemented a variable remuneration policy to ensure the sustainability of the company.The variable potential is linked to the achievement of EBITDA. It decreases if EBITDA falls below a certain minimum level and likewise increases if EBITDA exceeds a certain threshold. 100% of the resulting incentive is split between Departmental or Territorial targets and Individual targets. Once the bonus has been calculated using this formula, meritocracy is objectified and excellence in work is recognised according to performance.

9.3. TRAINING

Neinor Homes Homes believes that training helps to increase the **work productivity** of employees, while at the same time improving the possibilities of individual promotion.

To draw up the 2024 training plan, we endeavoured to assess the **needs and interest of Neinor's employees** by means of surveys of departmental managers and the workers' legal representatives (RLT), as well as the entire workforce.

In the **RLT group (6 respondents), specific training** in each department was evaluated rather than generalised training, in addition to the fact that everything was evaluated in an employee survey.

In the employee survey conducted at the beginning of 2024, all 118 participants were particularly interested in being able to proactively participate in the design of training for this exercise.

In the year 2024 it was noteworthy that, although English was not a habitual tool in everyday business for the majority of the work positions in Neinor, it was decided there should be a qualitative leap in the training plan in order to be able to respond to the demand from workers for language training. An interactive platform was chosen through which all workers would have the possibility to learn and improve both their level of English and other languages with the greatest possible flexibility in terms of employment management and work-life balance.

Once again, during the Ethics, Compliance and Sustainability course, employees were given and reminded of advice and tools to improve their energy efficiency both in the office and at home.

Set out below are further details about the training plan. It is important to bear in mind that this Training Plan was designed before the subrogation.

Neinor Homes provides its employees with a **training platform** where the various training courses are uploaded so that employees can access them at any time. In 2024 a total of **13,336 training hours** were given, with an average of **55.10 hours of training per employee** (we have managed to increase training hours per employee by 75.42% compared to 2023) and an average cost (investment) in these training sessions of **€218.48 per employee**. The **total cost** in 2024 has been **€52,872**. This has led to a 65% increase in investment in training compared to 2023.

For Neinor Homes, the training and professional and personal growth of its employees is key, and for this reason the identification of needs is carried out from all possible sources (workers, managers, DGs and RLT).

During 2024 the company aimed to make a qualitative and quantitative leap in training, to be able to meet the demand for languages and offering a wide range, with special emphasis on English. This project allowed all workers to invest more time in training with greater flexibility.

Neinor Homes is a company founded on the professional and personal growth of its workers, and for this reason, it not only focusses on developing an Annual Training Plan covering the needs of its teams, but also promotes and encourages the possibility of helping its employees to invest in Specific Training through Flexible Remuneration as well as helping them to manage grants and subsidies for these measures (sometimes considering the possibility that this training could be carried out partly during working hours).

Some of the training provided was in the form of courses on: **Equality Training and the prevention of sexual and gender-based harassment, Cybersecurity, Negotiation, Technical Training, Training in Management Tools, Training in Compliance, Fraud, PBC and Ethics**, among others. Training was offered to all employees, regardless of whether their contract was full-time, part-time or reduced hours.

This year, not including compulsory training for the entire workforce, **216**. **employees** received specific training, of which 53% (116) were women and 47% (103) were men.

Finally, there were initiatives to raise awareness and involve employees in Sustainability, fostering their pride in belonging.

9.4. WELL-BEING AND WORK-LIFE BALANCE

For Neinor Homes, the **wellbeing and quality of life** of its employees outside the workplace is also important, as a happy and content worker in their personal environment will also be happy in their working environment, favouring their effectiveness and their relationship with their colleagues. It therefore implements measures that seek to harmonise professional activity with personal needs, which are materialised in the **Work-Life Balance Plan**.

The work-life balance plan includes measures to guarantee disconnection: definition of workloads, intensive working hours during the summer months (last week of June, and the whole of July and August) in addition to having been able to extend the intensive working hours to other periods such as Epiphany or Easter.. Likewise, the clocking-in app developed by Neinor Homes where employees record their working hours allows for an analysis and monitoring of the hours worked.

The Compliance (GRC) and HR Departments worked together to develop the Work-Life Balance Plan, in which Neinor Homes was a pioneer. Work climate surveys from previous years and requests from employees to the aforementioned areas have served to update the initial measures and propose new ones, with **13 measures** currently in place **to favour work-life balance:**

TELEWORKING

The general minimum criterion for the company is 4 days of teleworking per month, and may increase it substantially, being able to double and triple it, and thus offer more flexibility for greater family conciliation according to the role played and the needs in person from each department. Moreover, the company carries out an individualised study and assessment of any special requests that may arise in the personal lives of its workers, trying to adapt as much as possible to the needs and personal circumstances of each employee, prioritising the well-being and equilibrium of both (company/worker; worker/company).

REDUCED WORKING HOURS ON NON-SCHOOL DAYS

The **working day may be adjusted** to the school calendar and may be reduced on **nonschool days**. A pool of hours will be created to compensate for these hours not worked on our children's school days.

PRE-BIRTH LEAVE

There is the option of requesting **paid maternity leave** during the last 15 days of pregnancy until the baby is born.

FLEXIBLE ENTRY AND EXIT TIMES

Flexibility to adjust the timetable for entering and leaving the workplace by one hour. Departments ensure that all responsibilities are always covered for the entire working hours and in cases where a manager refuses it, this has to be consulted with, and justified to, HR.

BREASTFEEDING

Paid breastfeeding leave is extended to **20 days** (instead of 13 days) or until the child reaches the age of 15 months (instead of 12 months).

PARENTAL LEAVE

A leave of absence is established for the care of children of **4 years** (instead of 3 years as stipulated in the statute).

FINANCIAL ASSISTANCE FOR CHILDREN WITH DISABILITIES

Employees with children with disabilities receive financial assistance of **€150 gross per month until the child reaches the age of 15**.

FLEXIBLE MEETING TIMES

Except in exceptional cases, the timetable for meetings and videoconferences must be between **10:00 and 18:00 hours**.

LEAVE DUE TO COMPLICATIONS IN CHILDBIRTH

Paid leave is extended to **15 days** (instead of 5 days) in the event of complications arising from childbirth or neonatal illnesses that require the baby to stay in hospital.

INTENSIVE WORKING DAY

Intensive working day in July and August with the possibility of extension (in 2024 this lasted from 26 June to 4 September). The working day will be from Monday to Friday from 08:00 to 15:00 hours.

WORKLOADS

In order to reduce as much as possible excess work outside the established working hours, there is a commitment to **define workloads**.

RESPECT OF REST HOURS

A commitment is made to **respect rest times** outside working hours **as much as possible** and control measures are put in place to achieve this.

BIRTHDAY

A birthday will be a holiday and can be enjoyed on the Friday of that week, if preferred or if it falls on a weekend or public holiday.

The Human Resources department monitors the work-life balance measures, is open to the evaluation of new measures and is responsible for establishing, publishing and informing the staff of any new developments regarding these measures. In addition to these special measures, employees are entitled to all benefits established by law. In 2024, a total of **8 workers**, 5 women and 3 men, took **maternity or paternity leave,** of whom 100% have returned or will return to work after taking this leave.

Neinor Homes offers a **flexible remuneration package with tax benefits for employees,** where they can take out childcare, meal and transport vouchers, training, purchase of IT equipment and medical insurance for the whole family.

In addition, it also offers preference to employees when it comes to accessing a property in the developments launched by the company, although under no circumstances does this mean a reduction in the price.

Neinor is a company concerned not only with the well-being of its employees, but also with their happiness and concerns. For this reason, in recent years it has made an effort to be close to its employees and share those special moments when a shared smile takes on special meaning or a token of affection allows the pain also to be shared. On behalf of the entire workforce, the Management sends a baby basket for births and likewise conveys the condolences and affection of all colleagues for the loss of a first degree relative (father, mother and children) by sending floral arrangements to the appropriate morgue.

In 2024, Neinor Homes maintains teleworking, with the aim of improving the wellbeing and comfort of the time employees spend in the offices. For this reason, and with a view to promoting a healthy lifestyle, focusing the company on the "social" part of the ESG and considering the wellbeing of its employees as one of its main objectives, the area that coordinates sustainability (GRC) continues to promote healthy habits, maintaining free fresh fruit in all our delegations, which has been very well received by the staff. In this connection, in order to take a qualitative leap forward and with a view to caring for and having healthy and happy employees, during the last quarter of the year we have continued with these measures and have negotiated the implementation of Wellhub (formerly known as Gympass). Through this service, the company aims to help employees maintain a healthy lifestyle. This service allows for significant savings in many sports centres and also offers comprehensive wellness services. **It gives access to centres of all kinds** related to physical activity. Not only gyms, it also has centres for yoga, Pilates, swimming, martial arts, crossfit and more, as well as psychology practices, therapy centres, etc. In short, it offers its employees **physical and mental health.**

9.5. HEALTH AND SAFETY OF OUR EMPLOYEES

Neinor Homes promotes a safe **working environment** and is committed to ongoing updating of the occupational risk prevention measures appropriate to each job, beyond the levels required by law. By the nature of their work, Neinor Homes employees are exposed to the risks inherent in office work. In this regard, the Board of Directors is the main driving force behind the implementation of a health and safety culture, assuming the firm commitment to ensure that there are no accidents at work in the company. This commitment is also shared by the Senior Management.

Due to the nature of their work, Neinor Homes employees are exposed to the risks inherent in office work. In this regard, an external company is responsible for carrying out periodic health and safety and Occupational Risk Prevention (ORP) audits in all offices and branches, the result of which has been that the required standards are met in all of them.

With the aim of promoting a culture based on health and safety, Neinor Homes offers Occupational Risk Prevention courses to its professionals. **The 11 new recruits completed the compulsory training in Health and Safety policies and procedures and were informed and trained accordingly.**

Along these lines, in 2021 the company updated its Health and Safety Policy, which addresses health and safety in offices, on construction sites and for our customers, referring to the delivery of safe, quality housing that preserves the safety of people during use. This policy is included in the "Welcome Pack" for new recruits.

In 2024 there has been 1 occupational accident (a 31 year old man) in itinere with sick leave (9 days) but there have been no occupational accidents with sick leave in the work environment.

Neinor Homes in 2024 had an absenteeism rate of 4.13%, of which approximately 20% was due to maternity and paternity leave. It should be taken into account that NH is committed, as mentioned on more than one occasion, to facilitating a better work-life balance, especially in such special stages as the growth of the family unit. We are committed to ensuring that the period of adaptation and breastfeeding should be more generous than that set out in the regulations, allowing up to 20 working days to be taken and permitting, in the majority of requests, paternity/maternity leave to be adapted to the time distribution requested by the worker (being able to accumulate/carry over this leave from one financial year to another).

During 2043, a total of 2,294 days were lost due to disability (of all types), among our employees. Since the beginning of the company's activity there have been no work- related fatalities among our employees.

In addition, and in order to guarantee the safety of all its employees, Neinor Homes has an accident insurance policy for all its employees that is improved on the one established by the collective bargaining agreement for each territory. In general, there is a life insurance policy in the event of death and Total Permanent Disability (IPA) due to an accident at work for a capital sum of €90,000, and in the event of death and Total Permanent Disability (IPA) for all other causes, equivalent to 4 monthly payments of the base salary according to the collective bargaining agreement.

9.6. EMPLOYEE COMMUNICATION AND SATISFACTION

In 2024 Neinor Homes continued to **promote internal dialogue and communication** between all employees, who have different mailboxes to deal with specific issues of health and safety, human resources, recruitment and sustainability, among others.

Employees have an application on the Ethics Channel to report any possible irregularity, non-compliance or behaviour contrary to ethics, legality and the rules that govern the group, and where employees can also see breaches of protocol, transmit improvements, etc.

In recent years we have seen a downward trend in the **voluntary turnover rate,** which currently stands at **5.63%**. There are probably many variables at play, but there is no doubt that the company is competitive, not only in terms of the team of professionals that make up the work teams, but also in the conditions and welfare it offers its employees. They value it and are committed to remaining in the leading property developer in the market.

Finally, **initiatives** aimed at fostering staff interaction, pride of belonging and satisfaction are carried out.

The most valued in recent years are those that allow colleagues to interact personally. **The Christmas party** was the event par excellence in which we all got together and shared anecdotes and day-to-day experiences, but in the last two years the high number of deadlines concentrated in these last weeks of the year have led to numerous lastminute cancellations. This is why, finally, it has been decided to move the date of this event to a quieter period in which **ALL THE STAFF** can enjoy a different kind of get-together. Currently the forecast is for this to take place in first half of 2025.

10

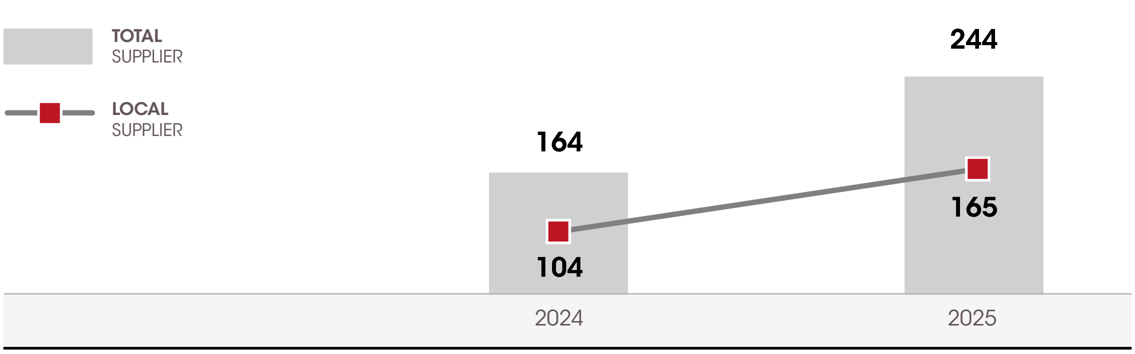
WE ARE **STRATEGIC PARTNERS** OF OUR SUPPLIERS

The **relationship** we establish with **our suppliers** and all the mechanisms we put in place to guarantee compliance with minimum criteria and requirements in terms of quality, deadlines and health and safety, among other aspects, is fundamental to the **success of our business.**

10.1. OUR SUPPLY CHAIN

Neinor Homes' values and commitments are also extendible to its entire supply chain, as it is aware that, in order to guarantee excellence and quality levels, it is important to work actively to **successfully manage the long-term relationship** with contractors, suppliers and collaborating companies. In this connection, we are working to promote a relationship of closeness and trust in which suppliers act as **strategic partners** of the company.

EVOLUTION OF THE TOTAL NUMBER OF SUPPLIERS AND LOCAL SUPPLIERS



Neinor Homes works mainly with **three types of suppliers**: construction companies, professionals (Architects, Construction Execution Directors, Project Managers, Health and Safety Coordinators, etc.) and companies providing various types of services (kitchen furniture, geotechnics, topography, OCT, BREEAM, quality control companies, etc.).

In total, Neinor Homes has worked with **244 suppliers in 2024**. Of these, 165 (68% of the total) have been local suppliers. This high percentage of local suppliers demonstrates our faithful **commitment to contracting local suppliers,** local being understood as suppliers that operate in the same autonomous region where the development for which they work is carried out.

In order to attract the best suppliers in the market, it is essential to establish **strategic relationships with suppliers** that benefit both parties. In 2024, we extended the contracting of the Prescription Framework Agreements in projects started in 2018. This year we have seven new collaborators in the areas of ceramics (Tau), ventilation (Zehnder, Soler&Palau, Aldes and Jeremías España), vinyl flooring (Grato), and exterior carpentry (Hydro Building Systems Spain-Tecnal), adding more companies to the list of direct collaborators with Neinor Homes.

On the other hand, Neinor Homes has negotiated **more than 65 framework prescription agreements** with manufacturers that strengthen te ties between the brand and the developer, both ends of the construction chain which, although they do not have a direct relationship, provide advantages such as preferential supply, support for the sales network, etc. To name but a few, there are agreements on ceramic finishes, wood flooring, exterior and interior carpentry, air conditioning, lifts, sanitary ware and taps, electrical mechanisms, etc.

10.2. RESPONSIBLE PROCUREMENT MANAGEMENT

Neinor Homes' procurement management is based on **principles that must be complied with** before, during and after contracting. Throughout the entire process, suppliers must comply with Neinor Homes' values and integrity policies based on the Code of Ethics, the specific clauses for contracting suppliers, the Code of Conduct for third parties sent to suppliers for their knowledge and signature, and the Anti-Corruption, Fraud and Bribery Policy. In addition, Neinor Homes guarantees the ethical and environmental standards of each of the links in the supply chain.

Suppliers must comply with Neinor Homes' values and integrity policies.

Neinor Homes has a **procurement management procedure** as a framework for action in the area of pricing that describes a systematic process and enables the work to be standardised for the entire organisation in order to avoid any type of risk in the value chain. The procurement management procedure has been approved by the Management Committee.

DEPARTMENTS INVOLVED IN PROCUREMENT MANAGEMENT

The following departments are involved in procurement procedures, performing various functions:

- **Purchasing Department**: in charge of the complete contracting process, from the selection of construction companies to the award proposal and signing of the contract.
- **Technical Department**: participates in the selection of construction companies, resolves any doubts that may arise and reviews the project.
- **Compliance Department:** is informed by the Purchasing Department of the bid opening tables during tenders with construction companies.
- **Directorate General Operations**: sin charge of approving contracts.
- **CEO:** in charge of approving recruitment.
- **Management Committee**: approves major contracts.
- **Internal Audit Directorate**: conducts regular audits of the procurement management model and its compliance.

For work on **units and services**, which are similar in all developments, there are **Framework Contracts** with Suppliers and Prescription **Framework Agreements** with Manufacturers. These provide a prescription with specific conditions (prices, supply preferences, etc.) to be met by the developments. In general, the aim is to **optimise contracting** by emphasising the achievement of the deadlines set, compliance with the budget and, of course, without compromising the quality of the projects set by our standards and procedures. This results in a mutually beneficial relationship both for Neinor Homes, which achieves the best conditions in terms of quality and price, and for the manufacturers and subcontractors, who manage to increase their turnover and improve their own image by being prescribed by a developer of recognised prestige.

Framework Agreements promote equal opportunities and the equitable distribution of developments.

Finally, this relationship also results in an increase in quality by achieving a commitment to excellence on all sides.

In addition, these Framework Agreements also establish a sustainable environment of trust and loyalty with the supplier, and result in higher standard qualities and a better response of the supplier to complaints, which in most cases results in higher customer satisfaction.

Neinor Homes has created a computer application that allows the signed Framework Agreements to be controlled and monitored. In 2024, **7 new Frameworkd Agreements** have been signed.

The Neinor Homes Purchasing and Contracting department has **19 performance procedures** that are updated annually to adapt them to the needs of the company. In 2024, the Supplier Evaluation Procedures, Engineering Approval, Architect Approval, Construction Company Approval and Construction Company Tendering have been updated.

GENERAL PURCHASING MANAGEMENT PROCEDURE
Framework agreement procedure
Approval procedure for architects
Approval procedure for project manager
Approval procedure for construction companies
Approval procedure for intermediate works construction companies
Approval procedure for partner companies and construction companies for minor works
Approval procedure for DEO
Approval procedure for engineering companies
Tendering procedure for architects
Tendering procedure for consultants
Tendering procedure for construction companies
Tendering procedure for intermediate works
Tendering procedure for minor works - Other services
Tendering procedure, approval and evaluation of suppliers of commercial channels
Procurement procedure for kitchen furniture and electrical appliances
Evaluation procedure for suppliers
Evaluation procedure for subcontractors
Kitchen reception procedure
Contract management and implementation procedure

One of the most important of these is the **Tendering Procedure for Construction Companies**, which aims to define the rules and documents necessary for selecting the companies that will carry out each of the developments. It details the phases of the tendering process: from the initial selection of construction companies, through the evolution of each of the selection processes, to the final award proposal based on a series of criteria related to the approval, technical and economic solvency, geographic footprint, sustainability and local experience of the ultimate construction company. This tendering process lasts 13 weeks.

The tendering period lasts for 13 weeks.

In 2024 Neinor Homes has contracted **procurements worth 237 million euros from suppliers** to carry out its activity, all of which are Spanish companies. 68% of the total procurement volume has been invested in local suppliers operating in the same autonomous region where the development they work for is is being carried out, compared to 63 % in the previous year. The volume of procurement has increased by 12% due to an increase in the volume of contracting.

10.3. SELECTION, APPROVAL AND EVALUATION OF SUPPLIERS

Neinor Homes ensures compliance with the highest sustainability standards among its suppliers. In this way, it ensures that it offers its customers sustainable and eco-efficient buildings that improve their quality of life.

For this reason, it has implemented a **demanding selection and approval process** that establishes the aspects to be analysed for each supplier, depending on the sector of the company in question and the service or product to be supplied. During 2024, a total of 40 new suppliers (including architectural and engineering firms) were approved. All of them were analysed according to ESG criteria. However, all suppliers must comply with the principles and requirements of Corporate Social Responsibility, sustainability and ethics and compliance of Neinor Homes, as well as with the international agreements of the International Labour Organisation and the United Nations Global Compact. **100% of the contracts** that Neinor Homes signs with its suppliers **include ESG** (Environmental, Social & Governance) **clauses**. Similarly, guarantees are required in matters such as health and safety, sustainability, confidentiality, prevention of money laundering, antibribery or corruption and prevention of criminal offences.

Neinor Homes has identified the main potential **environmental and social risks** in its supply chain, such as accidents, inadequate waste management or impact on biodiversity. In the current approval process, these risks are detected in each supplier, **rejecting those with negative impacts and thus excluding them from contracting**.

All suppliers must comply with the environmental legal provisions in the contract and be liable in the event of non-compliance.

In addition, Neinor Homes requests documentation relating to environmental management, quality and health and safety:

- Ecolabelling, Environmental Self-Declaration or Environmental Product Declaration.
- Copy of certifications such as UNE-EN ISO 9001 (quality), UNE-EN ISO 14001 (environment), UNE-EN ISO50001 (energy efficiency), and OHSAS (health and safety).
- BREEAM® certifications or others with similar characteristics.

Likewise, architects and builders are obliged to comply with the requirements of the White Book and the application of BREEAM® sustainability criteria (waste, pollution, energy, materials, etc.) is also positively valued. On the other hand, tax and employment responsibilities are guaranteed through remunerations consistent with the market and avoiding the hiring of third parties when there is a suspicion of tax fraud, influence peddling or any other symptom that goes against the company's policies and values.

In addition to aspects related to sustainability and the environment, Neinor Homes' contracting clauses include certain **clauses, declarations and commitments** related to different aspects that the contracted suppliers are obliged to comply with:

HEALTH AND SAFETY

- **Health and Safety Plan**: obligation to prepare a Health and Safety Plan that must be submitted to the Health and Safety Coordinator prior to the start of the works.
- **Law 31/1995**, of 8 November, on Occupational Risk Prevention.
- **Royal Decree 1627/1997**, of 24October, on minimum health and safety provisions in construction works.
- **Employer obligations** on workers, information and training.

GIFTS AND PRESENTS

Express prohibition on soliciting gifts, favours, services on advantageous terms or invitations from suppliers, customers, intermediaries, agents, consultants or others.

BRIBERY AND CORRUPTION

- **Adequate in-house policy against bribery and corruption** or if not,must comply with that of Neinor Homes.
- Declaration of **knowledge and acceptance** of the rules contained in the **Anti-Corruption Protocol.**
- **Commitment to report** any case of bribery or corruption to the Neinor Homes Ethics Channel.

PREVENTION OF MONEY LAUNDERING

- **Law 10/2010,** of 28 April on anti money laundering and combatting terrorist financing.
- **Royal Decree 304/2014,** of 5 May, applicable to natural and legal persons involved in real estate development business.
- **Manual on the Prevention of Money Laundering and Terrorist Financing.**

Finally, Neinor Homes carries out a qualitative assessment of the subcontractors associated with its suppliers. The Procurement Department is in charge of monitoring, carrying out the evaluations using a computer application and taking into account criteria of quality, environment, health and safety, technical capacity and compliance with deadlines, among others. In this sense, during 2024 it has carried our 1,358 evaluations, all of which have obtained a favorable score, covering 100% of the works carried out.

10.4. HEALTH AND SAFETY AND AWARENESS REQUIREMENTS

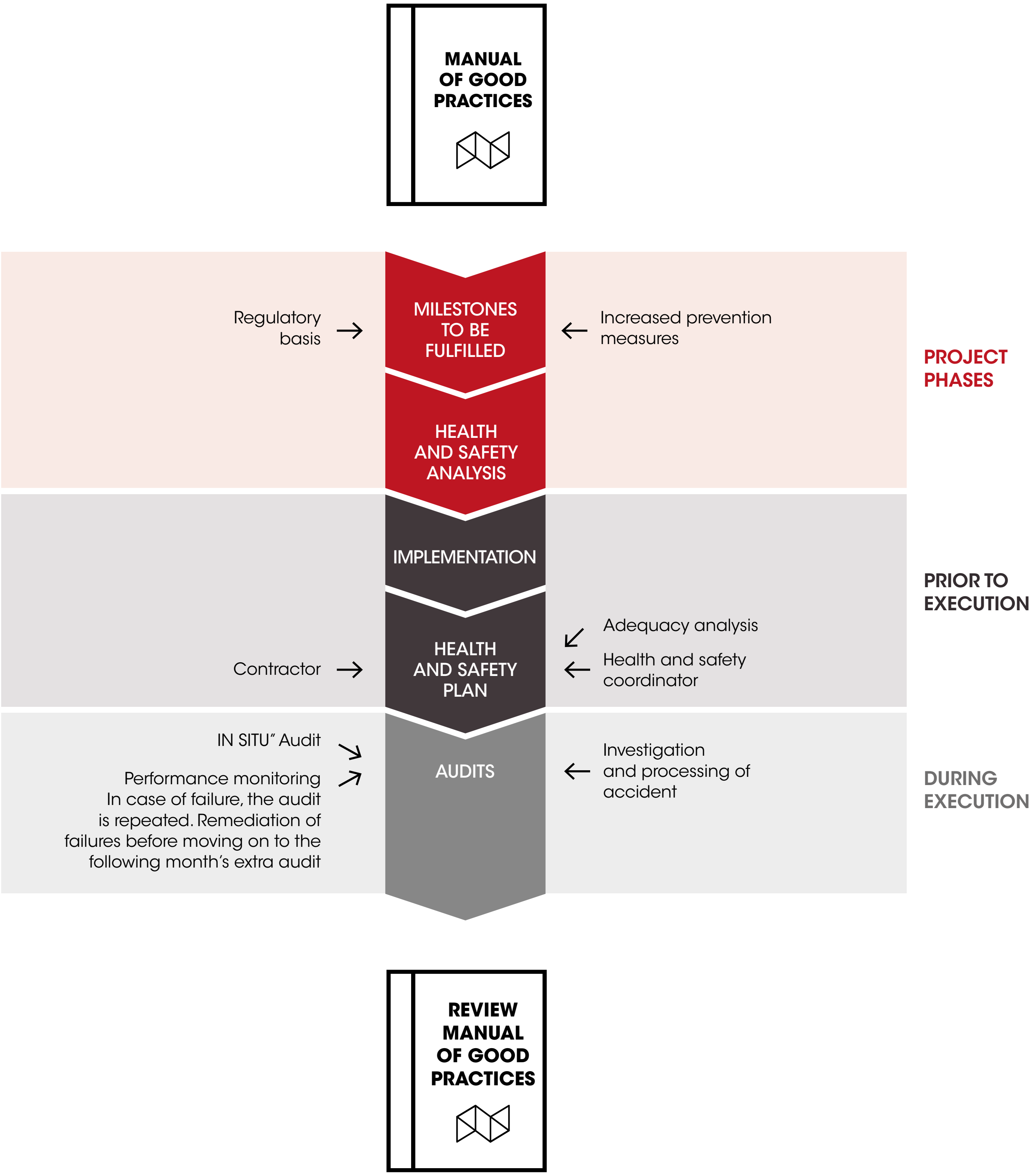
In the current market environment, there is a high demand for labour in a construction sector faced with **workers with limited experience**, low qualifications and, on occasions, an **increase in workplace accidents**. For Neinor Homes, safety and occupational risk prevention are two key factors in its developments.

Neinor Homes has a **Manual of Good Practices** to increase safety levels on the construction sites of its property developments, with the aim of minimising the risks to which personnel are exposed and thus achieving a **zero accident rate** on construction sites.The main measures include access control, the documentation required of contractors, subcontractors, workers and machinery, safety measures in the various phases of the work and the Emergency Plan for construction sites.

In each of the works, a **safety coordinator** is appointed in the execution phase of the work, who is responsible for ensuring compliance with the requirements established in the legislation in force and for ensuring compliance with the Occupational Risk Prevention Plan, as well as with the Manual of Good Practices. In addition, each contractor on site must designate at least one worker who is permanently present on site and whose part of the working day is devoted to preventive functions and at least one other worker responsible for the health and safety in their work.

In all the open sites, a leading consultancy firm in occupational risk prevention carries out audits that help raise awareness of Neinor Homes' importance and requirements in this area. Likewise, where necessary, **health and safety awareness courses are held in those areas where, according to the results of the audits, reinforcement may be needed.**

In addition, **health and safety audits** are carried out on all construction sites, based on very rigorous criteria established in the Manual of Good Practices and over and above the regulations established in the sector. At least three audits must be carried out on each site.

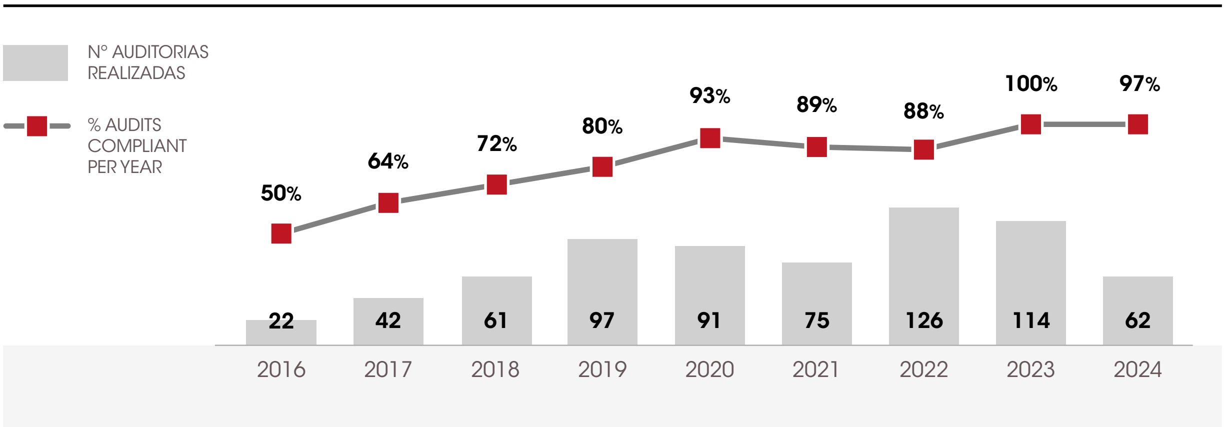


HEALTH AND SAFETY COMPLIANCE CRITERIA FOR CONSTRUCTION SITES

The health and safety audits carried out on construction sites consist of 2 parts. On the one hand, the status of the work is reviewed (compliance) with respect to **current legislation in force,** which must be 100% compliant. On the other hand, the **state of the work is reviewed with respect to the** Neinor Homes **Good Practices Manual,** with at least **75% compliance** being required in order to consider the audit as compliant. After three failed audits, the supplier will be automatically de-approved.

In 2024, **64 Health and Safety Audits** were carried out, which have shown that 99.4% complied with health and safety regulations and 91.66% complied with the Neinor Homes Good Practices Manual. In addition, the result of 96.7 % of these audits was "Compliant".

% AUDITS COMPLIANT PER YEAR AND N° AUDITS



In 2024 there were **74 accidents**, all of them involving men, with a frequency rate of 18.52 and a severity rate of 0.44.

Below is our data for the last 3 years with the indices used by the Ministry of Employment and Social Economy.

ACCIDENT RATES

TOTAL	CONST. SECTOR. 2022*	NEINOR 2022	CONST. SECTOR 2023*	NEINOR 2023	CONST. SECTOR Sep – 2024*	NEINOR NOV - 2023
Incidence	**6131.13**	5249,41	**6085,22**	5456,93	**4362,79**	3517,15
Frequency	**39.64**	38,65	**Pending publication**	36,12	**Pending publication**	18,52
Severity	**1,32**	0,91	**Pending publication**	0,98	**Pending publication**	0,44

* Data from the Ministry of Employment and Social Security in the construction sector.

As reflected in the following graphics, we can feel proud of the improvement in one of the main points of our Strategic Plan: our commitment to health and safety on building sites and the risk that this entails.

COMMITMENT TO THE SAFETY AND HEALTH ON WORKSITE

In this connection, every year we carry out **safety audits** and we prepare and update the Manual of Good Practices in this area.

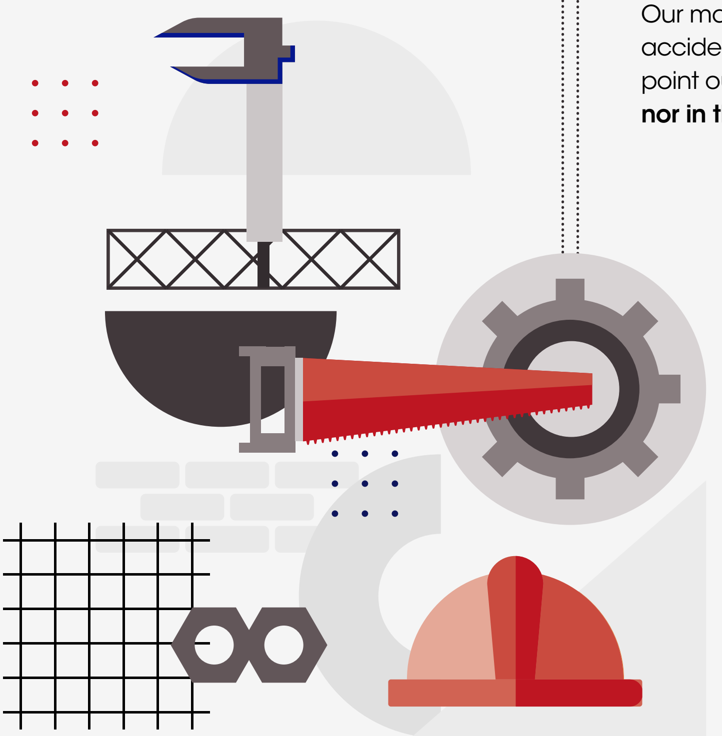
Thanks to the audits and monitoring of developments, as well as the training that has been provided on certain key sites, **accident rates have been lowered significantly below the sector average****. In this regard, we emphasise that this year we have also improved by lowering the incidence rate by

↓ **30%** INCIDENCE RATE

↓ **48%** FREQUENCY RATE

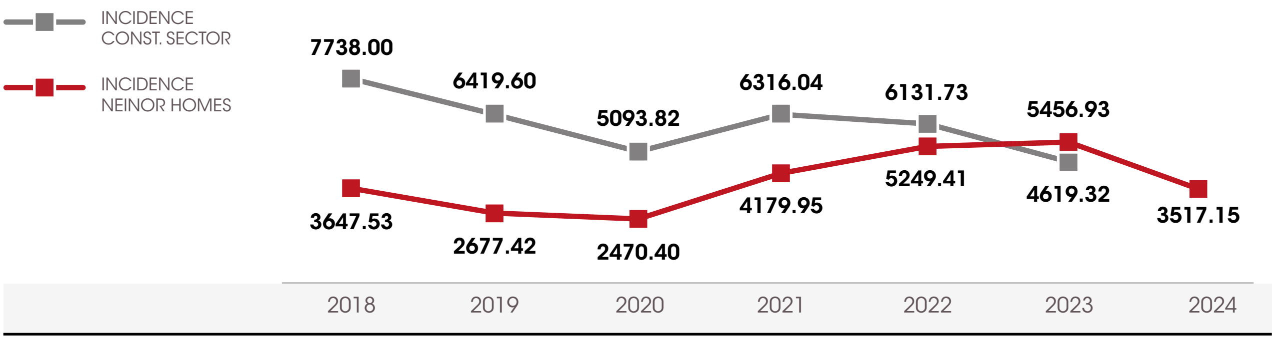
↓ **55%** SEVERITY RATE

Our main objective is to have 'zero' serious accidents on site. In this connection, we should point out that there **were no fatalities in 2024, nor in the 2023 financial year.**

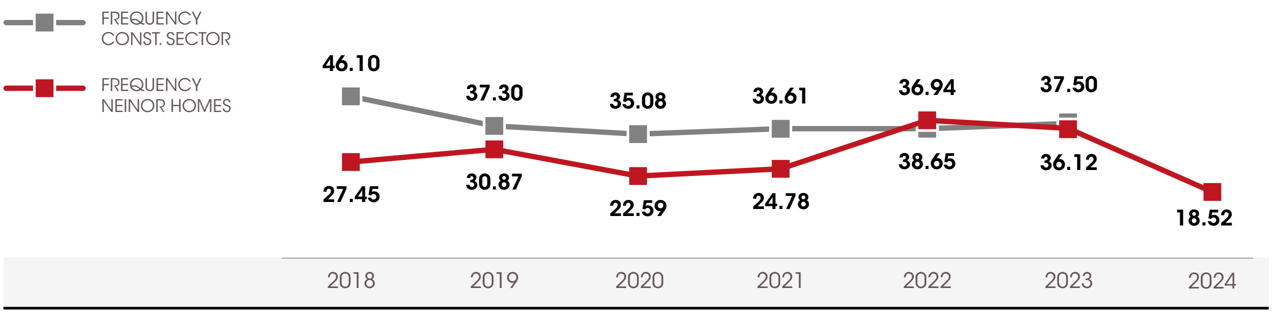


* The sector data is that published for 2023, data current to date.

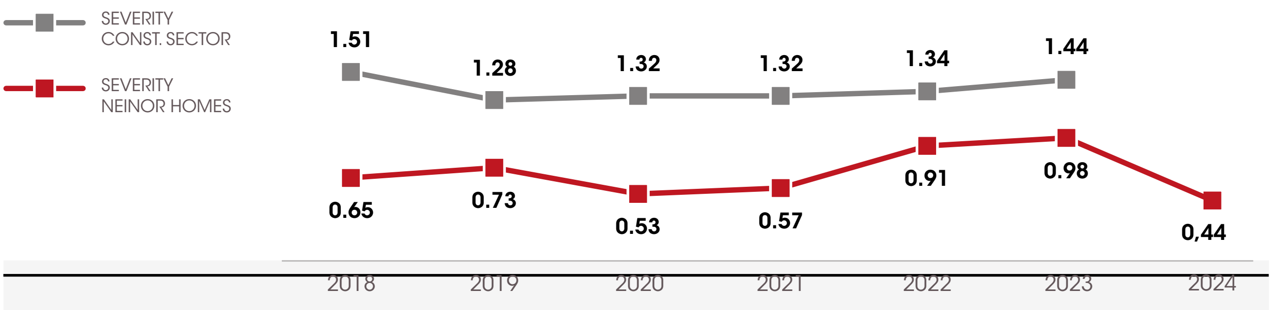
INCIDENCE



FREQUENCY



SEVERITY



Formula used for the calculation of the **frequency and severity rate**.

- **WORKERS MONTHLY (T)** = Average number of workers exposed.
- **H TRAB MONTH (H)** = Total N° of hours actually worked.
- **J** = days not worked in the month in which this report is drawn up, including Saturdays, Sundays and public holidays, during the period of sick leave, not taking into account the days not worked for accidents on the way to and from work but taking into account relapses.

Frequency index = A * 1,000,000 / H

Severity index = J * 1,000 / H

* Public data for 2023 published by the Ministry of Labour and Social Economy are not yet available.

10.5. COMMUNICATION, SATISFACTION AND COOPERATION WITH SUPPLIERS

As a sign of its commitment to quality and ongoing improvement, Neinor Homes continuously evaluates the suppliers it works with and the results of these evaluations are analysed with the collaborators themselves at regular meetings. In 2024, **490 evaluations** were carried out.

For Neinor Homes, the brand image it presents to all the suppliers it works with is also very important. For this reason, it makes the Whistleblowing Channel available to them so that they can report any breach of ethics and integrity.

Neinor Homes maintains fluid and continuous communication with its suppliers.

11

SUSTAINABLE FINANCING AND **COMPLIANCE** WITH THE EUROPEAN TAXONOMY

11. SUSTAINABLE FINANCING AND COMPLIANCE WITH THE EUROPEAN TAXONOMY

OUR SUSTAINABLE FINANCE FRAMEWORK AND GREEN BOND

In the last decade, the financial sector has taken into account the importance it can play in the fight against climate change and in the transition to a carbon neutral economy, as it is key what kind of projects and companies are financed and where capital flows are directed. As a result, cleaner activities and financial assets that are considered sustainable are increasingly being financed. This change in direction is a response to the demands of society as a whole, but also to new regulations aimed at achieving a fairer and more sustainable economic environment, with the Paris Agreement of 2015 being key.

As part of its commitment to sustainability, Neinor Homes promotes the use of **sustainable financing**, which in the development business is mainly linked to the pursuance of sustainable and energy-efficient projects that promote the use of materials, designs, technologies and construction processes that respect the environment and people, while also improving the quality of life of the occupants.

In March 2021 Neinor Homes published **its first sustainable financing framework** (with independent third party opinion from DNV) linked to the United Nations Sustainable Development Goals and aligned with the ICMA (International Capital Markets Association) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, as well as the LMA (Loan Market Association) Green Lending Principles.
Sustainable_Financing_Framework.pdf

In this context and following the sustainable finance framework guidelines, **Neinor Homes issued its first green bond in April 2021**, thus becoming the first listed European property developer to issue a bond of this type.

The funds obtained through this green bond were used to repay corporate debt of Quabit Inmobiliaria and Neinor Homes. The bond issue was associated with a commitment from the company's to allocate a amount similar to the income from the bond (300 million euros) to residential projects with a positive impact on the environment. Objective and measurable criteria were used for this purpose, within the framework of sustainable financing.

The entire bond was justified by investments in green assets during its first year of existence and corroborated by an independent external auditor in its report published on 21 April 2022 (KPMG). Link to the 2021 Green Bond Report.

On 28 April 2023, the company announced a relevant fact, informing of the confirmation of the voluntary and early amortisation of all the simple bonds remaining in circulation issued by the Company in April 2021 under the issue called '€300,000,000 4.500% Senior Secured Notes due 2026', associated with the Green Bond. As a result, the bonds were fully amortised and cancelled.

In October 2024, the company published the first major update to this Sustainable Financing Framework.

https://www.neinorhomes.com/corporate/esg/medioambiente/esg-financiacion-sostenible/marco-de-financiacion-sostenible/

This new version of the Framework aims to reflect Neinor Homes' progress in sustainability, evidenced by stricter eligibility criteria for green assets and greater transparency in terms of alignment with the EU Taxonomy.

Under this Framework, Neinor Homes will be able to issue Sustainable Financing Instruments, such as:

- **Green Loans and Bonds**: where the net proceeds are exclusively allocated to green project categories.
- **Social Loans and Bonds**: where the net proceeds are exclusively allocated to social project categories.
- **Sustainable Loans and Bonds**: where the net proceeds are allocated to both green and social project categories.

This framework specifies, among other issues, how the funds obtained will be managed, the criteria for evaluating and selecting projects, the presentation of control reports and review by independent third parties. The sustainable financing framework also defines the criteria that a project must meet to be eligible to receive funds obtained through sustainable financing.

The new eligibility criteria for allocating funds obtained with the update from the first Sustainable Finance Framework with respect to the update of the new 2024 Framework are shown below:

CATEGORY	2021 ELIGIBILITY FRAMEWORK CRITERION	2024 ELIGIBILITY FRAMEWORK CRITERION	
GREEN BUILDINGS	Acquisition or development of buildings in Spain that meet recognised standards, such as BREEAM® "Good" or "Very Good" certification. Such projects or properties will have a positive impact on the environment. More specifically, in climate change mitigation, pollution prevention and control, and resource efficiency.	Acquisition, development or refurbishment of buildings that are aligned with the requirements established by the regulatory framework of the European Taxonomy. **New constructions:** • Buildings with a primary energy demand at least 10% lower than the threshold established for the requirements of nearly zero-energy buildings in national measures. **Renovated buildings:** • Residential buildings that have undergone renovation that meets the requirements applicable to a major refurbishment or that leads to a reduction in primary energy demand (PED) of at least 30%.	Substantial contribution: **Climate change mitigation** Taxonomically eligible activity: **7.1. Construction of new buildings** Substantial contribution: **Climate change mitigation** Taxonomically eligible activity: **7.2. Building renovation existing buildings**
ENERGY EFFICIENCY	Acquisition or development of buildings that demonstrate above market performance energy efficiency (Energy Performance Certificates - CRE rating "B" or higher).This type of project or asset will have a positive impact on the environment. More specifically, on climate change mitigation, pollution prevention and control and on resource efficiency.	**N/A**	
AFFORDABLE HOUSING	Acquisition or development of buildings for affordable rental housing. In Spain, affordable rental housing is defined in general terms by a reduction in rent of approximately 20% compared to the market price. Acquisition or development of buildings for social housing purposes. In Spain, the exact parameters may vary according to the autonomous region, but in general there are three commonly used definitions: i) Publicly Subsidised Housing (VPO); ii) Basic Publicly Subsidised Housing (VPPB); iii) Publicly Subsidised Housing at a Limited Price (VPPL).	Acquisition or promotion of buildings for residential purposes for subsidised housing according to commonly used definitions, including: • Official Subsidised Housing *(Viviendas de Protección Oficial: VPO)*; • Basic Public Subsidised Housing *(Viviendas de Protección Pública Básica: VPPB)*; • Price Capped Public Subsidised Housing *(Viviendas de Protección Pública y Precio Limitado: VPPL)*, or as a function of the requirements established by national governments	**Target population:** Beneficiaries who need housing and who cannot rent or buy property on the local free market. Eligible beneficiaries are selected according to the socioeconomic requirements established by the national or regional governments that confirm their eligibility for decent and affordable/ social housing. These socioeconomic requirements, established by national or regional governments, usually include income level, number of family members, ownership of other real estate, etc.
EMPLOYMENT	Housing development activity has a direct impact on job creation and local communities through the preferential use of local suppliers.	**N/A**	

In order to assess the criteria for evaluating and selecting green projects, Neinor created a Sustainability Committee, which includes the CEO and other members of senior management. This committee is responsible for certifying which assets meet the eligibility criteria, identifying and managing the material environmental risks associated with projects, as well as monitoring the portfolio of eligible projects and proposing updates to the sustainable financing framework.

In October 2024, the company successfully completed **its second issue of a green bond, with an amount of 325 million euros, maturing in 2030** and a cost of 5.875%, excluding the interest rate derivative signed in 2022; improving Neinor's overall cost of debt by 62.5 basis points. This bond was rated BB- by Fitch and Standard & Poor's.

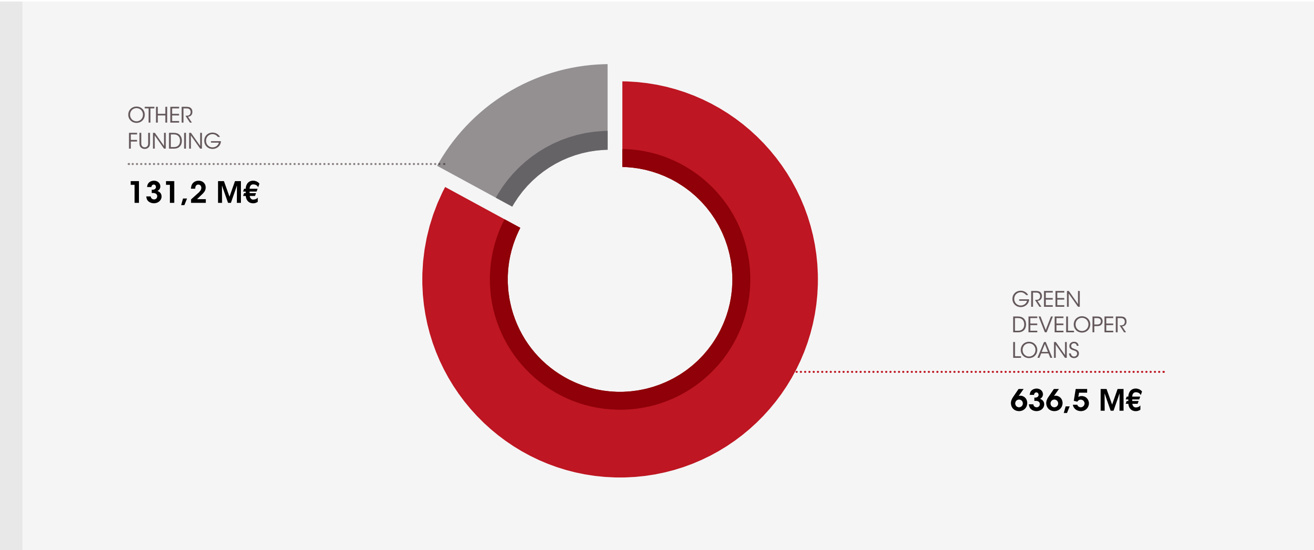
Through the issuance of this bond, the company plans to allocate 175 million euros to repay its existing corporate debt facilities. In addition, it seeks to increase its corporate debt by an additional 150 million euros to finance new growth opportunities, whether through the company's own acquisition programme or through opportunities with its co-investors.

The company has committed to investing an amount equivalent to 100% of revenues in Eligible Green Projects. These projects will be fully aligned with the Substantial Contribution Criteria of the European Green Building Taxonomy - new construction activity and will contribute to the Sustainable Development Goals (SDGs), thus promoting sustainability through a reduction in the carbon footprint of buildings during the construction phase and state-of-the-art energy efficiency standards to reduce emissions throughout the life cycle. Furthermore, some of the projects will also fulfil social objectives by increasing the supply of both rental and sale properties in a market where there is a structural housing deficit, particularly in terms of affordable and social housing.

COMPOSITION OF THE NEINOR HOMES DEBT PORTFOLIO

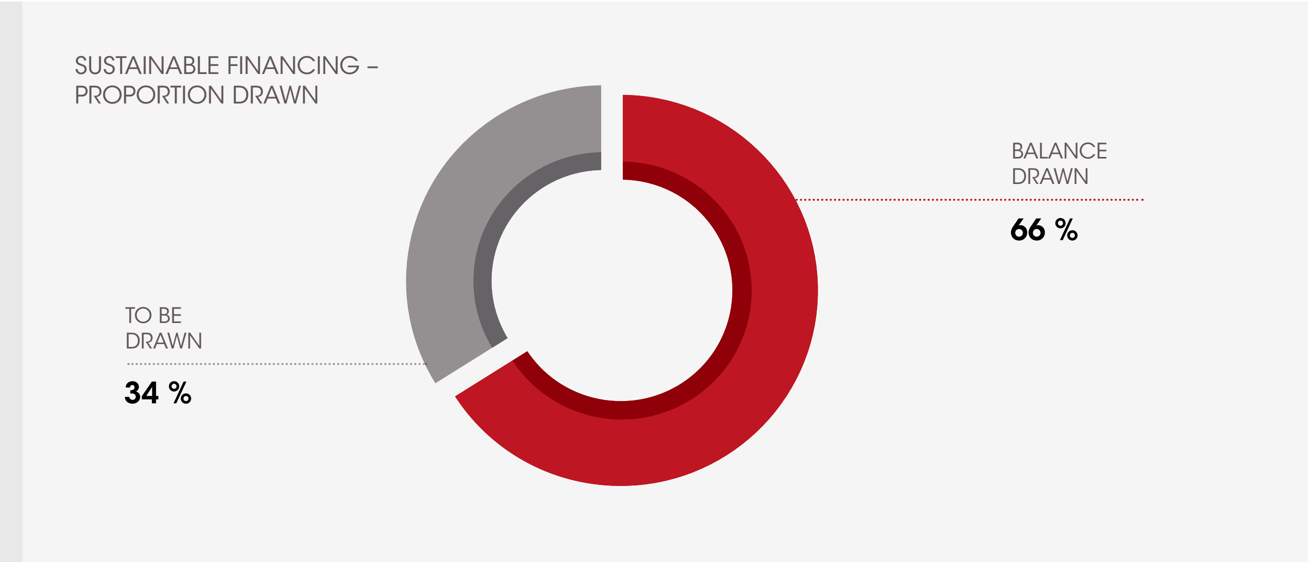
Neinor Homes' debt portfolio includes other forms of sustainable financing, such as Green Developer Loans, through which the company is currently financing most of its new property development projects. **Green Developer Loans** are considered to be those granted by banks that finance the development of sustainable buildings, and which generally have discounts on the interest rate with respect to other forms of financing.

The composition of **Neinor Homes' debt portfolio**, at 31 December 2024, considering both drawn down and undrawn debt, is as follows. Financing is considered Green both to the debt coming from the Green Bond and to the already mentioned Green Promoters Loans.



The company's debt at 31 December 2024 was 83% sustainable financing (86% of the total amount being drawn down) and it should be noted that all developer loans currently signed are green, representing Neinor's main source of financing for its projects, thus integrating sustainability into Neinor's business strategy and contributing to the wellbeing of society as a whole while generating added value for the investment community.

The proportion of the amount drawn down against the debt limits for the total sustainable financing is shown below, with €420.4 million drawn down out of a signed amount of €636.5 million:



OUR ALIGNMENT WITH THE EU TAXONOMY

The EU Taxonomy is a common **classification system for sustainable economic activities**, which will serve as a common language to talk about sustainability and to be able to define with certainty what we mean when we say that a company or a project is sustainable.

In order to achieve the environmental objectives defined in the European Green Pact and the Paris Agreement and the goals of the 2030 Agenda, it is vital that financial flows are channelled to activities, companies and projects with a positive impact on the environment, which is why the EU Commission has promoted this system. Thanks to this taxonomy, investors will be better protected from greenwashing and investments will be channelled to those companies and projects that are truly efficient in their use of natural resources.

The taxonomy classifies economic activities into eligible and non-eligible, and in turn, into aligned and non-aligned:

Economic activities that are not included in the EU taxonomy, either because they cause environmental damage or because they are not relevant to climate change mitigation or adaptation.

Those economic activities that are listed in the taxonomy, and have the potential to be considered sustainable and therefore fit into the taxonomy if certain requirements for doing so are met.

Inelegible	Eligible	
	Aligned	Not Aligned

Activity that is considered sustainable, i.e. it is listed in the taxonomy and also meets the technical criteria necessary to be considered as such.

This activity, although listed in the taxonomy, does not meet the technical criteria to be considered sustainable.

According to the EU Commission, buildings are responsible for 40% of energy consumption and 36% of carbon emissions in the EU, so the way new buildings are constructed and existing buildings are renovated plays a very important role in mitigating climate change. The real estate sector therefore has a major responsibility in moving towards a carbon neutral economy.

Due to the above, the real estate activity has been defined as eligible within the EU taxonomy, which is a great opportunity for Neinor Homes to attract responsible and sustainable financing and to be aligned with the issues that are really important in terms of sustainability.

7

BUILDING CONSTRUCTION AND PROPERTY DEVELOPMENT ACTIVITIES

7,1	7,2	7,7
CONSTRUCTION OF NEW BUILDINGS	RENOVATION OF EXISTING BUILDINGS	ACQUISITION AND OWNERSHIP OF BUILDINGS

To be **aligned with the taxonomy**, and therefore considered environmentally sustainable, **an economic activity must meet 3 conditions**:

1 SUBSTANTIALLY CONTRIBUTE	2 DNSH	3 MINIMUM SAFEGUARDS
Contribute substantially to at least one of the six environmental objectives: • Climate change mitigation • Adaptation to climate change • Sustainable use and protection of water and marine resources • Transition to a circular economy • Pollution prevention and control • Biodiversity protection and restoration	Do Not Significantly Harm (DNSH) the rest of these environmental objectives. The aim is to prevent an economic activity from being detrimental to the environment even though it substantially contributes to another objective.	Respect Minimum Social Safeguards (MSS), through a commitment to human rights, in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, as well as to the fight against corruption, tax evasion and unfair competition.

Companies must identify and report the percentages of their economic activities that are aligned with the Taxonomy, based on key indicators such as Net Revenue, CAPEX (Capital Expenditure) and OPEX (Operating Expenses). In 2022, Neinor Homes carried out an analysis of its economic activities to determine their alignment with the EU Taxonomy, the results of which are published in this report.

This analysis is extremely useful for aligning the company's sustainability efforts with what society, investors and regulators demand and what contributes most to achieving an efficient use of material and energy resources. In addition, this initial assessment will serve as a baseline against which the company's sustainability performance can be monitored in subsequent years.

Therefore, **one of the main strategic objectives of the Neinor Homes Sustainability Plan is to increase the proportion of completed developments or homes aligned with the European Taxonomy in each financial year**, as we believe that the fact that a building is Taxonomy-aligned is the best indicator that it is environmentally sustainable. The evolution of the last two financial years is shown below, where we can see a clear **positive trend:**

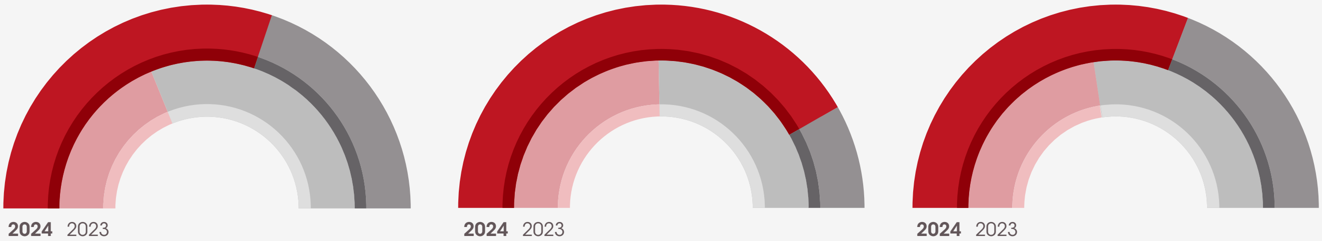
	2024	2023	%
No. of developments aligned with taxonomy	10	15	(33%)
No. of developments not aligned with taxonomy	6	17	(65%)
% of developments aligned with taxonomy	**63%**	**47%**	**+33%**
No. of homes aligned with taxonomy	1.027	1.233	(17%)
No. of homes not aligned with taxonomy	351	1.435	(76%)
% of homes aligned with taxonomy	**75%**	**46%**	**+61%**

Furthermore, Neinor Homes is committed to ensuring that all developments intended for rental completed in each financial year comply with the requirements established by the taxonomy, since the company plans, designs and builds these developments implementing measures so that they meet all the taxonomy alignment criteria. **In the last three financial years, the company has fulfilled this commitment in its developments** intended for the Rental business line.

Below are the results of the calculation of the percentages of alignment with the Taxonomy for the three indicators described above (Revenue, CapEx and OpEx) of the developments completed in the 2024 financial year, not including other developments completed in previous years and delivered during this financial year or the figures resulting from other lines of business, calculated by dividing the number of promotions categorised according to the taxonomy by the total number of promotions completed during the financial year, as follows:

$$\frac{\textbf{Developments delivered}\text{ in 2024 }\textit{aligned with the taxonomy}}{\textbf{Total}\text{ Developments delivered in 2024}}$$

The degree of alignment with the EU taxonomy for developments completed in 2024 was as follows:



REVENUE

60%

CAPEX

83%

OPEX

62%

$$\text{INCN} = \frac{158{,}918}{263{,}426} = \mathbf{60\%}$$

$$\text{CAPEX} = \frac{109{,}641}{131{,}314} = \mathbf{83\%}$$

$$\text{OPEX} = \frac{754}{1{,}225} = \mathbf{62\%}$$

(Thousands of euros)

ALIGNED NOT ALIGNED

In order to assess the eligibility of its economic activities and their alignment with the European Taxonomy, **Neinor Homes has implemented a five-step methodology,** which has yielded the above results. This methodology includes the following steps:

IDENTIFICATION OF ELIGIBLE ACTIVITIES	SUBSTANTIAL CONTRIBUTION ANALYSIS	DNSH	DUE DILIGENCE OF MINIMUM SOCIAL SAFEGUARDS	CALCULATION OF FINANCIAL METRICS
Classification of activities into eligible and non-eligible activities taking RD 2021/2139 as a reference	Assessment of compliance with the technical criteria for measuring substantial contribution	Verification of compliance with qualitative criteria for non-significant harm	Due Diligence process should be aligned with OECD	Calculation of the percentages of alignment of the indicators of business volume, CAPEX and OPEX for the activities eligible and aligned

The objectives against which the company would be able to measure its substantial contribution, in accordance with Neinor Homes' taxonomically eligible economic activities, are Climate Change Mitigation, Climate Change Adaptation and Circular Economy, and the objectives of substantial contribution Water and Marine Resources, Pollution and Biodiversity are therefore not applicable to the company.

A series of technical tests and corroborations have been carried out on the buildings completed throughout 2024, with the aim of verifying compliance with the substantial contribution guidelines for the Mitigation of Climate Change objective, as well as with the DNSH (Do No Significant Harm) criteria for the rest of the environmental objectives defined by the Regulation.

The projects within the portfolio of **projects completed in the 2024 financial year** that, once these analyses had been carried out, were determined to be **aligned with the substantial contribution objective of Mitigation of Climate Change** are:

DEVELOPMENT	ECONOMIC ACTIVITY	REVENUE	CapEx	OpEx
GRAN CAPITAN	Sell	8,835	4,531	85
RIBERA HOMES II	Sell	19,659	8,249	45
URBAN HOMES IV	Sell	18,413	1,701	51
OLARIZU HOMES IV	Rental	-	10,053	68
ALOVERA HOMES (M22)	Sell	15,446	10,229	73
SON PARC HOMES	Sell	9,763	14,874	110
LAS MESAS R4-R5-R19	Sell	24,294	13,044	95
ÁTICA HOMES (AUDITO)	Sell	7,879	11,645	-
SAN AGUSTÍN HOMES	Sell	20,619	17,998	113
PATRIARCA HOMES	Sell	34,010	17,318	114
		158,918	**109,642**	**754**

MINIMUM SOCIAL SAFEGUARDS

Along with the verifications of compliance with the technical criteria, an analysis of the requirements for assessing compliance with the Minimum Social Safeguards has been carried out, verifying compliance with the following requirements in the company:

1. Firstly, a human rights due diligence process has been implemented in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. The Group's Human Rights Policy, published in 2022, defines the principles applied for human rights due diligence.

    - For this reason, a series of commitments have been incorporated to safeguard human rights in the company.
    - Any impact or incident that may affect these safeguards is monitored and assessed.
    - Disciplinary action is taken for any behavior that undermines human rights compliance.
    - The entire compliance structure, the code of ethics and is structured with a view to reporting and preventing incidents of this nature.

2. The company has a Human Rights policy approved in the 2022 financial year by the Board of Neinor Homes and published on the corporate website.
   https://www.neinorhomes.com/en/corporate/esg/ethics/ethics-andtransparency/corporate-policies-and-procedures/human-rights-policy/

3. The company has no knowledge or evidence that this process has not been properly implemented or that human rights violations have been committed.

4. The company has processes in place to prevent corruption such as adequate internal controls, ethics and compliance programmes, and measures to prevent and detect bribery. In this regard, we have a Code of Ethics, Whistleblowing Channel, Anti-Corruption and Fraud Policy, Corporate Criminal Liability Prevention Model and controls to mitigate or eliminate corruption risks.

5. On the other hand, the company has a whistleblowing channel, which is governed by its management procedure following the guidelines of the Code of Ethics through which employees can expose and report inappropriate behaviour. All communications made through this channel are treated in accordance with Directive (EU) 2019/1937, guaranteeing the confidentiality of the parties involved and allowing the sending of anonymous communications when the informant so wishes.

6. All active litigation of the company has been consulted, as well as litigation that has been ongoing since the company was incorporated, and no litigation and therefore no convictions have been detected on the following aspects:

    - Those related to corruption or bribery.
    - Related to tax evasion.
    - Related to the violation of competition laws.

7. In addition, Neinor Homes promotes employee awareness of the importance of compliance with all applicable competition laws and regulations. In this regard, compliance training is provided on an annual basis and, additionally, a series of letters / confirmations are issued which employees receive and must express their understanding and acceptance.

8. Finally, governance and tax compliance are important elements of oversight and there are appropriate tax risk management strategies and processes in place. In this regard, the company has a Tax Policy and good tax practices.

   On the basis of the above and all that is explained in this sustainability report in terms of the company's governance and practices, we consider that, as far as the European taxonomy is concerned, we comply with the minimum social safeguards for all our activities.

SCHEDULE. NEINOR HOMES' ELIGIBILITY AND ALIGNMENT RATIOS

Below are the percentages of eligibility and alignment of the economic activities of Neinor Homes with the EU taxonomy, based on the procedures and key indicators described in Annex II of Delegated Regulation (EU) 2021/2178. The figures and percentages presented here have been analysed for each of the Group's companies, although they are presented at a consolidated level.

The company has carried out a preliminary eligibility analysis in which it has compared the economic activities it carries out with the activities contemplated in Annexes I and II of Delegated Regulation (EU) 2021/2139, as well as in Annexes I to IV of Delegated Regulation 2023/2486. As a result of this preliminary analysis, Neinor Homes' eligible activities have been determined to be as follows:

7. Building construction and property development activities

- **7.1.** Construction of new buildings
- **7.2.** Renovation of existing buildings
- **7.7.** Acquisition and ownership of buildings

Once these activities eligible for the company had been defined, the accounting items and figures were analysed, calculating the eligibility percentages for the three key performance indicators: Turnover, CapEx and OpEx. In the exercise, Neinor's eligibility percentages for these three key indicators were 96.1%, 99.6% and 99.2%, respectively.

Regarding the proportion of these activities considered to be aligned for the company, only the fulfilment of the requirements has been analysed and only those developments that have already been completed, whether for sale or for rent, have been reported, thus not including ongoing developments that the company expects to be aligned with the European Taxonomy. There are two reasons for this:

- We believe that it is only when the development is fully completed that we are absolutely certain that the technical criteria have been et and we do not rely on the study, intentions or what was foreseen in the project, given that there are many circumstances that produce unexpected results in the analysis or changes in the projects.
- This would lead to greater complexity in tracking the alignment of turnover,Capex and Opex,given that in one year that it might be aligned and the reality in the following year prove otherwise, which would lead to having to rewrite the amounts provided in previous periodsould lead to having to rewrite the amounts provided in previous periods.

This consideration implies that, since 2022 was the first year in which compliance with taxonomy requirements was analysed for developments delivered in that year, and for reporting this data, in this year the figures considered aligned only include developments completed in 2022, 2023 and 2024. Therefore, the revenue generated by homes sold in developments completed before 2022 is not being considered, nor is the CapEx or OpEx generated by developments in progress in the production or design phases, even if they are developments that will be delivered in the future and meet the criteria and are aligned.

TURNOVER

The taxonomy-compliant turnover ratio has been calculated as the share of net turnover derived from products or services, including intangibles, associated with economic activities that comply with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008(1).

For this, the numerator contains the sum of the turnover of those activities and projects eligible for the taxonomy, having performed an alignment analysis only on buildings completed from 2022 onwards. As this indicator is reported in subsequent years, the results of the alignment analysis on completed buildings in each financial year will be added.

CAPEX

For the calculation of eligible and aligned CapEx percentages, the denominator includes additions to tangible and intangible assets during the year before depreciation, amortisation and possible revaluations, including those resulting from revaluations and impairments, for the year, excluding changes in fair value. As well as the costs detailed in 1.1.2.1. of Annex I to Delegated Regulation (EU) 2021/2178. Leases that do not result in the recognition of a right of use of the asset are not accounted for as Capex.

The numerator consists of the part of the investments in assets included in the denominator, related to assets or processes associated with economic activities that conform to the taxonomy.

OPEX

For the calculation of the OpEx denominator, non-capitalised direct costs are included which relate to research and development, building renovation measures, short-term leases, maintenance and repairs as well as other direct expenses related to the day-to-day maintenance of property, plant and equipment assets by the company or a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of these assets.

The numerator in this case is composed of the part of operational expenditure related to processes or activities in line with the taxonomy, in accordance with the criteria set out in 1.1.3.1. of Annex I to Delegated Regulation (EU) 2021/2178.

Double counting has been avoided in the allocation in the numerator of key performance indicators relating to turnover, Capex and Opex of all economic activities, by following accounting rules that ensure that figures associated with the same account are not consolidated in different indicators; and by eliminating intercompany balances relating to work carried out for group companies, which might otherwise appear in two different indicators.

The Opex and Capex figures disclosed in this section may differ from those in the company's financial statements for the year ended 31 December 2024, as they have been calculated in accordance with Annex I of Delegated Regulation (EU) 2021/2178.

TURNOVER | BUSINESS ACTIVITIES

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)			NO SIGNIFICANT INJURY CRITERIA ("DNSH" OR "NO SIGNIFICANT CAUSE OR INJURY")										
	CODES	ABSOLUTE TURNOVER (€)	SHARE OF TURNOVER (%)	CLIMATE CHANGE MITIGATION (%)	CIRCULAR ECONOMY (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE ADAPTATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	CIRCULAR ECONOMY (Y/N)	POLLUTION (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM SOCIAL GUARANTEES (Y/N)	PROPORTION OF TURNOVER THAT CONFORMS TO TAXONOMY, 2023 (%)	PROPORTION OF TURNOVER THAT CONFORMS TO TAXONOMY, 2022 (%)	CATEGORY (ENABLING ACTIVITY) (F)	CATEGORY (TRANSITION ACTIVITY) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																	
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORM TO TAXONOMY)																	
CONSTRUCTION OF NEW BUILDINGS	7.1	284,642,761	58.5%	58.5%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	58.5%	31.9%		
RENOVATION OF EXISTING BUILDINGS	7.2	7,115,940	1.5%	1.5%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	1.5%	0.0%		T
VOLUME TURNOVER (A.1)		291,758,701	59.9%	59.9%	0,00%	0,00%								59.9%	31.9%		
A.2.SUSTAINABLE NON-ENVIRONMENTAL ACTIVITIES (DO NOT CONFORM TO TAXONOMY)																	
CONSTRUCTION OF NEW BUILDINGS	7.1	171,266,161	35.2%														
RENOVATION OF EXISTING BUILDINGS	7.2	860,266	0.2%														
ACQUISITION AND OWNERSHIP OF BUILDINGS	7.7	3,835,515	0.8%														
VOLUME TURNOVER (A.2)		175,961,941	36.2%														
TOTAL (A.1+ A.2)		467,720,643	96.1%											59.9%	31.9%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																	
VOLUME TURNOVER		18,972,501	3.9%														
TOTAL (A + B)		486,693,144	100.0%														

*This section does not include the possible substantial contribution to the Water and Marine Resources, Pollution or Biodiversity objectives, as they are not applicable to any of the company's taxonomically eligible economic activities.

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)			NO SIGNIFICANT INJURY CRITERIA ("DNSH" OR "NO SIGNIFICANT CAUSE OR INJURY")										
	CODES	ABSOLUTE CAPEX (€)	SHARE OF CAPEX (%)	CLIMATE CHANGE MITIGATION (%)	CIRCULAR ECONOMY (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE ADAPTATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	CIRCULAR ECONOMY (Y/N)	POLLUTION (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM SOCIAL GUARANTEES (Y/N)	PROPORTION OF CAPEX THAT CONFORMS TO TAXONOMY, 2023 (%)	PROPORTION OF CAPEX THAT CONFORMS TO TAXONOMY, 2022 (%)	CATEGORY (ENABLING ACTIVITY) (F)	CATEGORY (TRANSITION ACTIVITY) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																	
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORM TO TAXONOMY)																	
CONSTRUCTION OF NEW BUILDINGS	7.1	99,588,023	34.0%	34.0%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	34.0%	30.0%		
ACQUISITION AND OWNERSHIP OF BUILDINGS	7.7	10,053,424	3.4%	3.4%	N/A	0,0%	Y	Y	Y	Y	Y	Y	Y	3.4%	0.0%		
CAPEX (A.1)		109,641,447	37.4%	37.4%	0,00%	0,00%								37.4%	30.0%		
A.2.SUSTAINABLE NON-ENVIRONMENTAL ACTIVITIES (DO NOT CONFORM TO TAXONOMY)																	
CONSTRUCTION OF NEW BUILDINGS	7.1	182,393,739	62.2%														
CAPEX (A.2)		182,393.739	62.2%														
TOTAL (A.1+ A.2)		292,035.186	99.6%											37.4%	30.0%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																	
CAPEX		1,166,639	0.4%														
TOTAL (A + B)		293,201,826	100,0%														

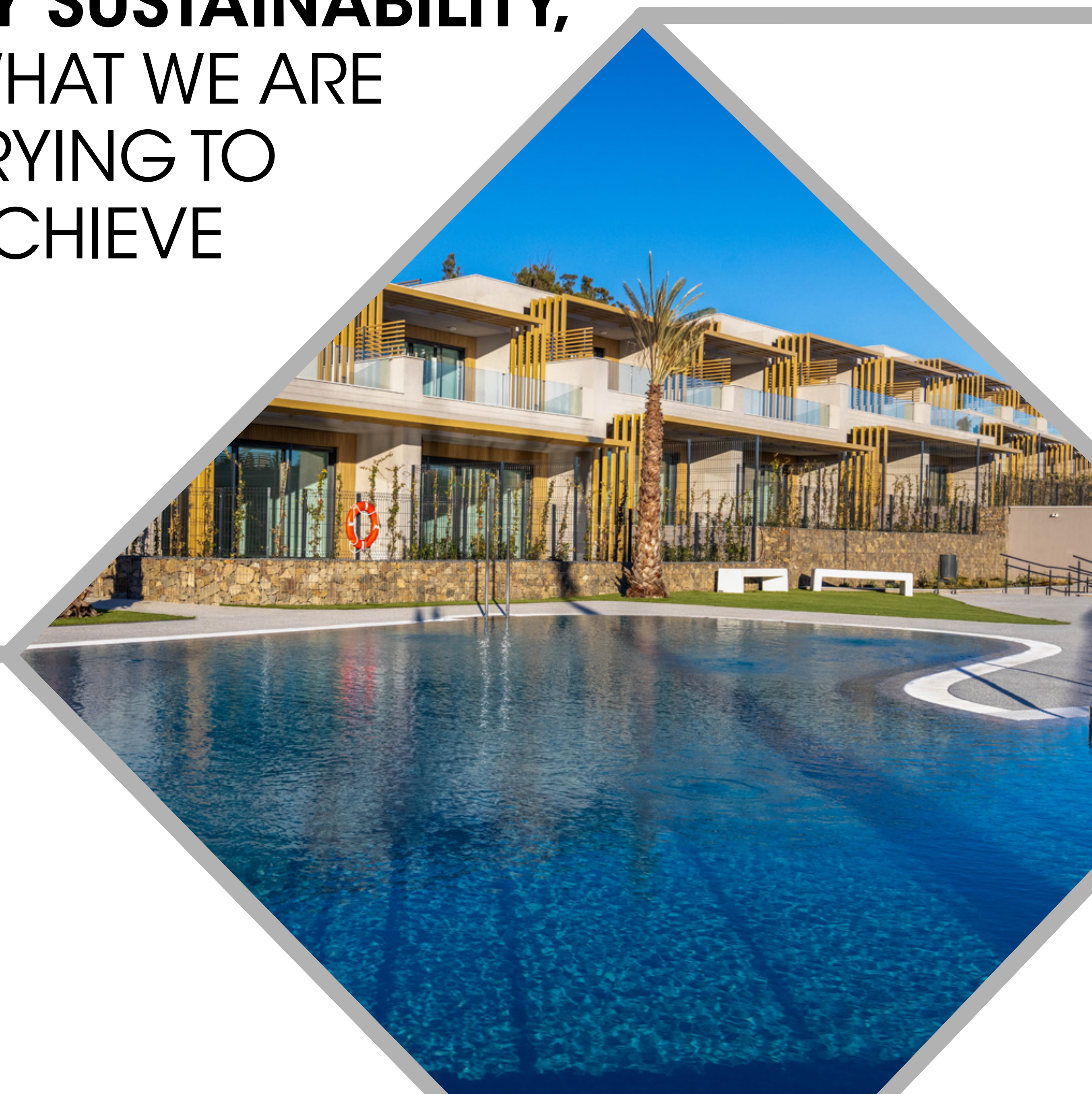
* This section does not include the possible substantial contribution to the Water and Marine Resources, Pollution or Biodiversity objectives, as they are not applicable to any of the company's taxonomically eligible economic activities.

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)			NO SIGNIFICANT INJURY CRITERIA ("DNSH" OR "NO SIGNIFICANT CAUSE OR INJURY")										
	CODES	ABSOLUTE OPEX (€)	SHARE OF OPEX (%)	CLIMATE CHANGE MITIGATION (%)	CIRCULAR ECONOMY (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE ADAPTATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	CIRCULAR ECONOMY (Y/N)	POLLUTION (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM SOCIAL GUARANTEES (Y/N)	PROPORTION OF OPEX THAT CONFORMS TO TAXONOMY, 2023 (%)	PROPORTION OF OPEX THAT CONFORMS TO TAXONOMY, 2022 (%)	CATEGORY (ENABLING ACTIVITY) (F)	CATEGORY (TRANSITION ACTIVITY) (T)
ELIIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMIY																	
SUSTAINABLE ENVIRONMENTAL ACTIVITIES (CONFORM TO THE TAXONOMY)																	
CONSTRUCTION OF NEW BUILDINGS	7.1	3,029,264	68.8%	68.8%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	68.8%	54.1%		
RENOVATION OF EXISTING BUILDINGS	7.2	14,860	0.3%	0.3%	N/A	0,0%	Y	Y	Y	Y	Y	Y	Y	0.3%	0.0%		T
ACQUISITION AND OWNERSHIP OF BUILDINGS	7.7	351,643	8.0%	8.0%	N/A	0,0%	Y	Y	Y	Y	Y	Y	Y	8.0%	0.0%		
OpEx (A.1)		3,395,767	77.1%	77.1%	0,00%	0,00%								77.1%	24.1%		
A.2.SUSTAINABLE NON-ENVIRONMENTAL ACTIVITIES (DO NOT CONFORM TAXONOMY)																	
CONSTRUCTION OF NEW BUILDINGS	7.1	734,642	16.7%														
ACQUISITION AND OWNERSHIP OF BUILDINGS	7.7	238,098	5.4%														
CapEx (A.2)		972,740	22.1%														
TOTAL (A.1+ A.2)		4,368,507	99.2%											77.1%	24.1%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																	
VOLUME TURNOVER		36,374	0.8%														
TOTAL (A + B)		4,404,881	100,0%														

* This section does not include the possible substantial contribution to the Water and Marine Resources, Pollution or Biodiversity objectives, as they are not applicable to any of the company's taxonomically eligible economic activities.

12

STRATEGY: **WHAT NEINOR HOMES UNDERSTANDS BY SUSTAINABILITY,** WHAT WE ARE TRYING TO ACHIEVE



12. STRATEGY: WHAT NEINOR HOMES UNDERSTANS BY SUSTAINABILITY; WHAT WE ARE TRYING TO ACHIEVE

At the date of publication of this Statement of Non-Financial Information, and in accordance with the orientation set by the company in terms of diversification, growth, business continuity and commitment to sustainability, this point includes what sustainability means for our company, the main milestones achieved in the year in terms of sustainability and the next steps that we believe will contribute to the creation of value for the entire environment in which the company operates.

In this regard, we believe that this section can be a summary guide to our entire Report and more specifically to the company's ESG focus and concerns.

WHAT WE UNDERSTAND BY SUSTAINABILITY.

The definition of sustainability is 'that which can be sustained'. Based on the principle of ensuring the needs of the present without compromising the needs of future generations, a process is sustainable when it can be maintained by itself.*

Based on this and on what we believe to be important, we consider that it is unfeasible to talk about sustainability at Neinor Homes if Neinor Homes did not exist; therefore the most important thing when talking about the sustainability of Neinor Homes is the viability of the company over time and we believe that this is closely linked to the trust of its customers and investors, its adaptation and capacity to learn in the face of social and technological change, the growth of the company and the profit of the company.

Therefore, in Sustainability, our first premise will be assuring the business, because we 'have to ensure the needs of the present' and therefore this business and the promotion of housing will create employment, local wealth, contribute to the treasury and the payment of public services through its taxes, will make housing more efficient, allowing people to save more, will produce greater satisfaction in people for the conditions of their housing, its common areas, its natural lighting etc.; in short, the maintenance of this business activity improves the quality of life of people and of society in general.

And furthermore, in terms of 'not compromising the needs of future generations', the company is based on the commitments and *achievements outlined in the environment section.*

Below, we detail the main aspects on which we are working and for which we are most satisfied with our performance as a company.

MAIN MILESTONES

REGARDING OUR TEAM

- Maintaining the security and economic well-being of our staff and suppliers by ensuring the continuity of the company, maintaining the development activity, diversifying businesses, creating coinvestment operations and making strategic financial decisions.
- Agreed upon, developed and approved the company's Equality Plan in fiscal year 2023. Plan that contemplates actions and measures that ensure complete gender equality in the company in all their areas and that ensure and monitor the same opportunities in talent acquisition, training, career development...
- Implementation of measures to promote a healthy lifestyle for our employees. Measures that we have taken such as the distribution of fresh fruit in offices, mindfulness workshops, working with sports centres for the practice of sport, access to therapy and healthy nutrition tools and training to ensure less energy consumption both in offices and in each private home, we believe promote the awareness of our employees and benefit their health.
- Relevant work-life balance measures implemented. (See Section 9.4, Worklife balance)
- For the tenth consecutive year we have improved the accident and injury rates that occur in the industry, in terms of physical safety in our developments, achieving incidence, frequency and severity ratios below the industry average in 2024 (see point 10.4).

REGARDING SOCIETY AND HOUSING ACCESSIBILITY

- The world's first listed real estate developer to measure and publish the social impact of all its developments. (See point 5.4)
  https://www.neinorhomes.com/corporate/esg/compromisosocial/medicion-del-impacto-social/
- First national listed real estate developer to reach a public-private partnership agreement to build 4,500 social rental homes in Barcelona and its Metropolitan Area through the mixed company Habitatge Metròpolis Barcelona (HMB). (See point 5.3)
- First national listed developer to establish a business line dedicated to the development of affordable housing.
- Developer that has delivered the most social housing in the last three years and that complies with the requirement that at least 30% of its dwellings registered / in progress / or in the planning stage are social housing or have a significantly higher affordability than the average of the major urban centres of housing demand.
- Involved in the analysis and search for solutions with different entities, organisations and foundations to solve the problem of homelessness in Spain. (See point 5.3).

REGARDING CUSTOMERS

- We have been pioneers in trying to improve the process of acquiring a home for our customers, providing them with better information on the evolution of the construction of their home (monthly newsletters), as well as offering a completely free service of non-payment insurance before and after the purchase of their home, to be able to pay for their new home in the event of involuntary loss of employment, temporary disability or hospitalisation due to accident from the signing of their sales contract and also covering the payment of the mortgage instalment from the signing of the deed for up to a maximum of 5 years.

- A free of charge offer to our customers via an APP (Hobeen) through which they can monitor their consumption and energy costs and analyse the times and appliances that consume the most, as well as obtain environmental advice on how to be more energy efficient and take care of the environment. Furthermore, we also offer utilities sign-up services, which our customers can access in a simpler, more exclusive and personalised way.

- The quality of our Customer Service has been recognized in the Pre-Sales and Call Center NEX area, having been awarded, for second consecutive year, with the **"Best Customer Service" award to Client 2025', in the category of REAL ESTATE PROMOTERS**. Where active listening has been taken into account, response time and the quality of care received, among other aspects.

REGARDING THE ENVIRONMENT

- First national real estate developer to annually measure its corporate carbon footprint in scopes 1, 2 and 3, establishing a commitment to reduce emissions with SBti. (See point 8.2).

  In the 2024 financial year, the company's emissions amounted to 254,700 tonnes of CO_2, 99.84% of these being Scope 3 emissions. Neinor Homes is meeting its objective of reducing its Scope 1 and 2 emissions annually. The Scope 3 emissions published in the current financial year are not comparable with the Scope 3 emissions of previous financial years due to a change in methodology explained in this report and those of previous years.

- First national listed real estate developer to carry out a climate risk analysis of its homes. (See point 8.4).

- Company that performs life cycle analysis on all its developments launched since the 2022 financial year.

- First company in the real estate sector to publish data on eligibility and alignment with the European Taxonomy from 2022, thus fulfilling one of the main objectives of its Strategic Plan: to increase alignment in each financial year. The percentage of alignment in terms of completed developments has increased from 47% in 2023 to 63% in 2024, while in terms of completed dwellings it has increased from 46% in 2023 to 75% in 2024. (See point 11).

In the 2024 financial year, the company fulfilled its strategic objective of increasing the number of developments and homes aligned with the taxonomy in relation to the developments completed in the financial year.

- The company recycled/recovered at least 80% of the total waste generated in the construction of completed developments.
- Since the beginning of its journey, the company has been incorporating measures to reduce water consumption both in homes and in the communal areas of developments.

AT THE CORPORATE GOVERNANCE LEVEL.

- First national listed real estate developer to issue a green bond, fully justify it in full in the following financial year and launch a second green bond in the 2024 financial year, updating its sustainable financing framework (See point 11).

  https://www.neinorhomes.com/en/corporate/esg/sustainability/esg-sustainablefinancing/green-bond-report/

- First national listed real estate developer to draw up and make public its Strategic Sustainability Plan and to report on its implementation and updating (see point 3).

  https://www.neinorhomes.com/en/corporate/esg/sustainability/sustainability-plan/

- Real estate developer committed from the start of its activity to the transparency of its non-financial information, publishing its Sustainability Report since 2016 without being obliged to do so and verified by an independent third party.

  https://www.neinorhomes.com/en/corporate/esg/sustainability/reporting-andpolicies/sustainability-report/

- Company that since its inception in all audits conducted in respect of financial accounts, non-financial accounts, compliance areas such as anti-money laundering, data protection and cybersecurity, has not received any qualifications, paragraphs of uncertainty or any other relevant or significant observations.

- A company that has taken measures to ensure the business, viability and sustainability of the company, such as its dividend distribution policy and the diversification of its business, as well as the creation of new co-investment vehicles to obtain efficient capital growth, which have led to the company having the highest dividend distribution in the Spanish continuous market, as well as being the company with the highest growth in market valuation in the last financial year (see point 5.2).

Even so…

But we have a long way to go.

Despite all these achievements, we still have a long way to go, especially at the sector level. The objective of Neinor Homes is not just to be a leader in sustainability, but to be a benchmark that facilitates the improvement of the sector in this area and the competition for the best practices in terms of sustainability, which will ensure the transition of real estate development towards sustainable development.

We know that many actors and factors are involved in the development activity, so there are many results that are not what we would like them to be and that have a degree of room for improvement. For this reason, we would like to express our most sincere apologies for any and all times when we have not been up to the mark in any of our areas of activity, such as execution, deadlines or customer service.

Alvaro Conde Herranz
Head of GRC,
Internal Audit and Sustainability of Neinor Homes S.A.

THE NEXT STEPS SPECIFIED BY US LAST YEAR

Our commitment and goals are detailed in our Sustainability Plan. However, every two years we reveal the small tactical actions and the closest next steps we are working on.

Here's where we stand on the "next steps" we published in the last financial year.

• Improve customer service (after-sales).	✓
• Improve processes in the Human Resources area.	In progress
• Improve company processes related to attention and execution of projects.	In progress
• Carry out the third social impact measurement of allour promotions.	✓
• Search means of construction, materials and design, to reduce the carbon footprint of the company per square meter and reduce this footprint compared to the previous year.	✓
• Have more and more promotions with certificationenergetic A.	✓
• Offer our clients tools and measures to consider, regarding energy efficiency and care for the environment in their homes.	✓
• Try to comply with the European taxonomy in all the buildings that we are going to have in operation and increase the level of alignment year after year globally in all our promotions with regardless of your destination.	✓
• Participate in the analysis of problems accessibility to housing (ESADE).	✓
• Create a community and promote plans that facilitate local integration in areas where we have a high concentration of product (Alovera, Esplugues of Llobregat, Urduliz).	✓
• Make investors see that it is a company who thinks about people and the environment, who has a high return that creates wealth.	✓

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ABOUT THIS **REPORT**

SCOPE OF INFORMATION

Neinor Homes is presenting its Sustainability Report for the eighth time, this time corresponding to the 2024 financial year, in accordance with the guidelines contained in the Global Reporting Initiative (GRI) Guidelines. The objective of the Report is to respond both to the commitment to disclose its activities, as well as to the desire to be accountable to its stakeholders and to society. The information included in the Report is limited to the 2024 financial year .

In order to facilitate understanding of the business and to evaluate Neinor Homes' performance in various areas at present, reference is also made to the figures and events of the previous year, thus offering a broader perspective for analysis. The forward-looking information provided in this Report is based on an analysis of the current context and its expected evolution, and does not make a commitment to achieving these objectives.

The information included in the Report is complemented by other corporate documents that may be of interest for further information and which are available on the website **www.neinorhomes.com**

2024 ANNUAL ACCOUNTS

2024 ANNUAL CORPORATE GOVERNANCE REPORT

CODE OF ETHICS

SUSTAINABILITY POLICY

2022-2025 SUSTAINABILITY PLAN

REPORTING STANDARDS USED

This Report has been prepared in accordance with the guidelines established in the *Global Reporting Initiative's Sustainability Reporting Guidelines* in its GRI Standards version, in accordance with the essential conformity option.The selection of relevant aspects has been carried out based on the results of the new materiality (double materiality) analysis carried out in 2024, which is explained below.

Furthermore, in order for Neinor Homes to continue to be one of the benchmark companies in its sector, this Report has been prepared in line with the recommendations and best practices established by EPRA Sustainability (European Public Real Estate Association).The table of GRI performance indicators included at the end of the Report indicates the pages where the related information is provided.

Finally, most of the requirements established in Law 11/2018 of 28 December, on non-financial information and diversity, have also been taken into account in its preparation. Although in previous years this law was not applicable to Neinor Homes, the company has been publishing based on it and auditing itself, because it has considered it a good practice. 2024 is the fourth year in which this law applies to the company.

PROCESS OF PREPARING THE REPORT AND IDENTIFYING STAKEHOLDERS

Neinor Homes endeavours to understand the needs and expectations of its stakeholders through a materiality analysis using the GRI reporting standard. The company evaluated both internal and external sources to ascertain its needs and expectations, based on its 2022-2025 Sustainability Plan. Neinor Homes considers its stakeholders to be those who are directly or indirectly affected by its business activity and who may also have an impact on it. These groups include investors, customers, employees, suppliers and society in general. The company focuses on meeting the expectations of its stakeholders and improving its sustainability performance.

The Governance, Risk and Compliance (GRC) Internal Audit and Sustainability Department is responsible for coordinating the work of various areas of the company and for ensuring the accuracy and completeness of the information reported in the Annual Report. This document is published together with the financial information for the year to allow stakeholders to assess its performance in relation to the company's relevant information.

› MATERIALITY ANALYSIS STEP BY STEP

› RELEVANCE OF MATERIAL ISSUES

The environmental, social and governance issues that are material for the Group are those which, after an exhaustive analysis, have been identified as the most relevant both for their impact on the environment and for the Group's financial exposure to the risks and opportunities that they generate or may generate. These issues are the result of the double materiality analysis, which guarantees that the priority issues, defined on the basis of Neinor Homes' strategy, culture and business model, are not only important for the Group, but also for the environment in which it operates, including its stakeholders.

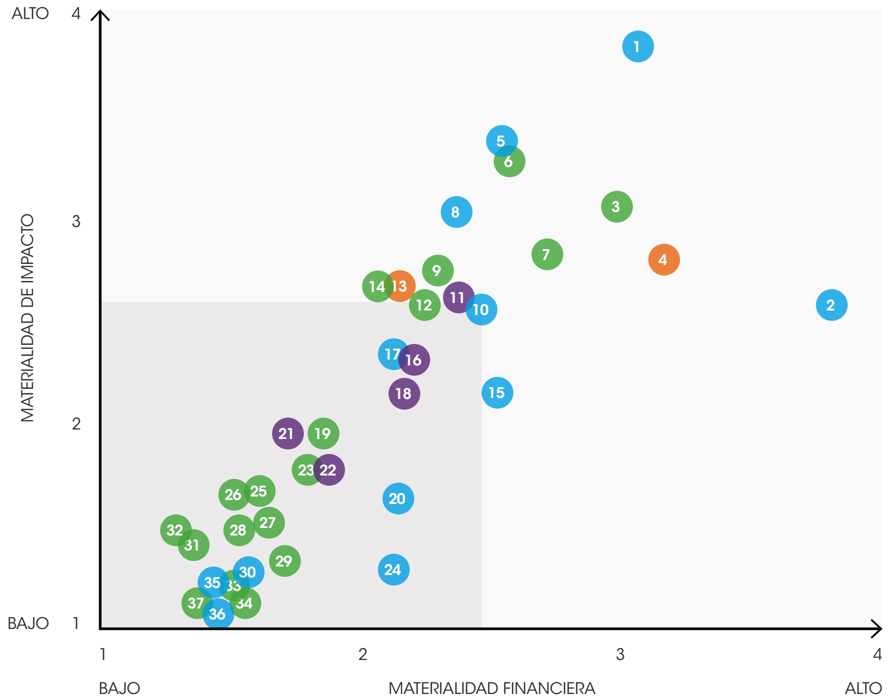
The materiality matrix reflects the result of this analysis, aligning the Group's objectives and priorities with sustainable challenges and opportunities. Among the most important issues is the commitment to generate a positive social impact by expanding the supply of affordable housing while meeting the highest standards of quality and sustainability and responding to customer expectations. In particular, this commitment focusses on promoting energy efficiency and guaranteeing the quality of the final product.

Based on its development and construction activity, Neinor Homes prioritises talent retention and care for its workers, both its own and those in the value chain, paying special attention to health and safety on site and maintaining good working conditions.

The commitment to sustainable development is another key pillar, focused on climate change adaptation and mitigation. The Group seeks to reduce its carbon footprint throughout its value chain, from the selection of raw materials with a low environmental impact to the design of energy-efficient and highly efficient products. In line with these objectives, it seeks to promote the use of recycled materials, proper waste management and the circular economy in all its operations, making these issues key priorities.

These issues summarise the 10 priority issues that are located in the upper right part of the double materiality matrix. In this financial year, the most significant issues for the consolidated Group, resulting from the double materiality process described in the following section (Double Materiality Analysis), are the following: Cultural, social and economic rights and preferences of consumers, Energy, Sustainable finance, Working conditions throughout the value chain, Resource input, Climate change mitigation and adaptation, Equal treatment and opportunities, Corporate culture, Water, Cybersecurity, Waste, Personal safety of consumers.

NEINOR HOMES - DOBLE MATERIALIDAD



E. MEDIO AMBIENTE

E1. CAMBIO CLÍMATICO

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- 7 Mitigación del cambio climático
- 3 Energía

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- 32 Microplástcios

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- 14 Residuos

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G. GOBERNAZA

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- 16 Protección de denunciantes
- 18 Corrupción y soborno
- 21 Compromiso político y grupos de presión
- 22 Prácticas de pago con proveedores

B. ESPECÍFICOS DE LA ENTIDAD

- 4 Mayor alineamiento con la Taxonomía UE
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The 37 sub-themes evaluated in this financial year have been organised into two axes to reflect their materiality and level of priority. Each axis represents the type of materiality, impact or financial, on a scale of 1 to 4, where 1 corresponds to the lowest impact or financial effect and 4 represents the highest impact or effect. Some of these issues, such as pollution or biodiversity, although relevant, have not been identified as material for the reasons set out below. All of them appear in the grey area of the same graph.

Comparing the results with the previous year, no substantial changes have been identified, although the current analysis allows for a more comprehensive and holistic strategic approach, considering not only the origin of impacts, risks and opportunities and their potential effects, but also the direct opinion of stakeholders.

JUSTIFICATION OF NON-MATERIAL ISSUES

Despite the construction sector's high dependence on ecosystem services, the industry is strictly regulated by European, national and local regulations that ensure the protection of the environment and public health, prohibiting any unsustainable practices.

New housing projects are developed in urban areas and building plots that have been previously **decontaminated**, and are subject to environmental impact assessments (EIA) that safeguard protected areas and areas of high ecological value. In addition, the company incorporates environmental rehabilitation and improvement practices in all its developments, prioritising responsible land use, the circular economy and waste recovery, as well as the protection of **biodiversity**. All this is accompanied by strict internal controls designed to mitigate potential impacts, from accidental spills or noise and vibrations during construction to employees' health. These controls extend to the supply chain, aiming to minimise supplier- and subcontractor-generated risk. The company favours the contracting of local suppliers, who must commit to comply with the Code of Ethics for third parties.

In relation to **air pollution**, a sectoral analysis was carried out to minimise uncertainty, which found that the real estate sector - Construction and Real Estate - contributes 1% to the total emissions generated in Spain (SO_2, CO, CH_2, NO_2, NH_2, PM2.5, PM10, NMVOC). Moreover, the 'Transport and Storage' sector, although more significant, does not exceed 15% of the total[1]1.

The same argument extends to respect for **human and labour rights,** protected by our Internal Policies, aligned with the United Nations Guiding Principles and the ILO declaration, and Good Governance Practices, focused on the **prevention of corruption and bribery, the protection of whistleblowers** and the integrity of **business relationships** upstream and downstream.

DOUBLE MATERIALITY ANALYSIS

As part of our commitment to transparency and responsibility, we follow the recommendations of the European Commission as set out in the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), as well as the EFRAG guidelines, to ensure that our dual materiality analysis allows our reports to accurately and comprehensively reflect the impacts, risks and opportunities of the Group as a whole.

As a result, this year we have updated and improved our methodology by incorporating the concept of double materiality into the impact analysis, adopted in previous years by reference to the GRI (Global Reporting Initiative) standards and the Guide for the Preparation of Sustainability Reports of these standards.

The main objective of the Double Materiality Analysis is to identify the most relevant issues for the company and its stakeholder groups, through the evaluation of impacts, risks and opportunities (IROs), which will serve as the basis for the development of our plans and actions. Following this new methodology, the evaluation is carried out from two perspectives:

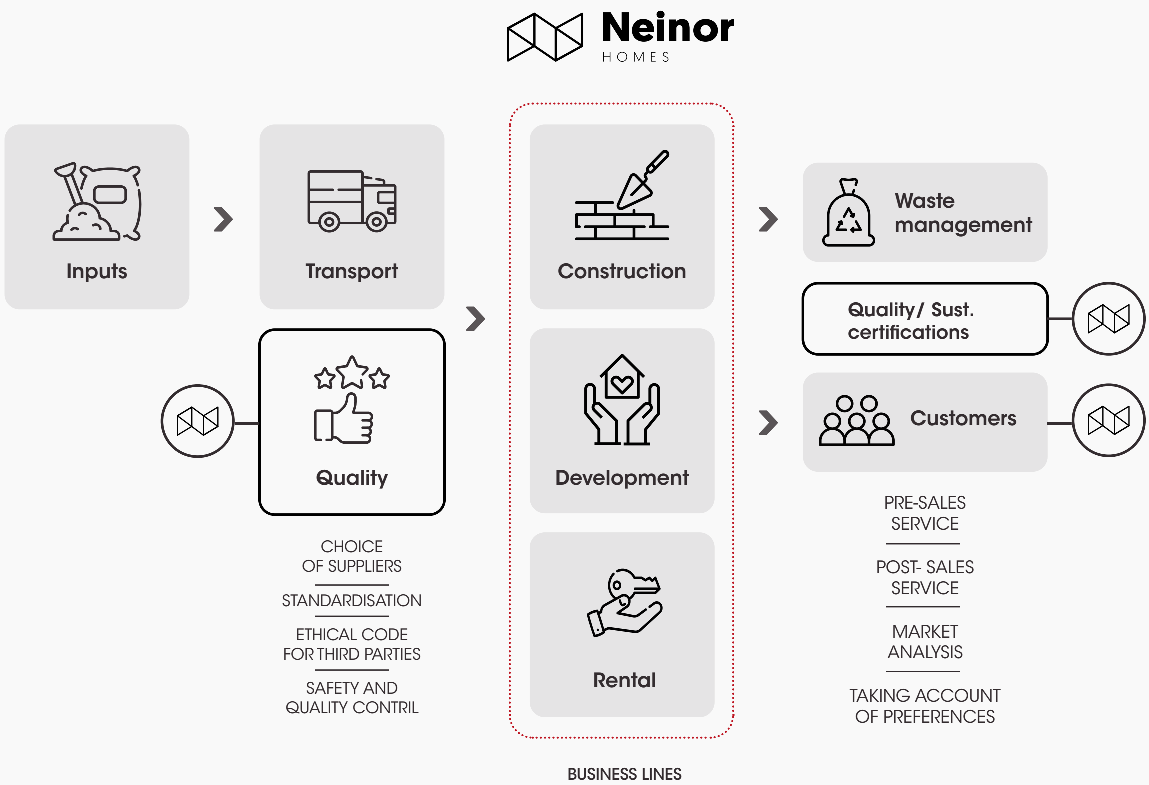
- **Materiality of impact** (from the inside out): this evaluates the company's impacts, positive or negative, current or potential, on people and the environment, in the short, medium and long term, taking into account both our internal operations and those along the value chain.
- **Financial materiality** (from the outside in): assesses how changes in society or the environment, whether or not they are derived from the impacts generated by business activity, can positively or negatively affect our financial position or our reputation.

This analysis takes into account the opinions and perceptions of stakeholder groups, for the purposes of understanding how they are or could be affected by our business activity or by the commercial relationships thereof, direct or indirect, throughout the value chain. It also allows us to assess the potential financial impact on the business, define risk control and mitigation measures, and develop initiatives to take advantage of emerging opportunities. By combining both perspectives, we can prioritise sustainability measures based on their relevance and align them with the Group's strategic initiatives.

[1] Analysis of temporal data from the construction, real estate and transportation and storage sectors on non-GHG emissions from 2008 to 2021, the last year available. Source, Eurostat.

ANALYSIS OF THE CONTEXT AND THE VALUE CHAIN

With the aim of offering a comprehensive view of the relevant sustainability issues of the consolidated Group and its stakeholder groups, the double materiality process begins with an exhaustive analysis of the environment in which it operates. Determining the set of activities throughout the value chain that are likely to generate material impacts and evaluating their level of dependence on the environment represent the starting point of this initial phase, which culminates in the definition of the scope of analysis and the identification of relevant stakeholder groups.



The nature of the construction and property development sector involves a complex value chain in which multiple actors are involved. Specifically, the key elements identified in this analysis are employees, shareholders, investors and coinvestors, relationships with suppliers and subcontractors, the supply chain, current and potential customers, the community, public authorities and regulators, and, finally, financial institutions.

Neinor Homes works with various types of suppliers: subcontracted construction companies, transport companies, specialised professionals (architects, construction managers, health and safety coordinators, consultants and auditors) and materials and service companies (extraction and supply of raw materials, kitchen furniture, technical certification issuers, quality controllers, waste management, APIs). Maintaining solid relationships with them is essential to guarantee the integrity and solidity of the business model. However, the impact they have on the business and the environment is neither uniform nor equally significant. Within the framework of this analysis, the purpose of which is to identify the most relevant aspects for the company, Neinor focuses on those subcontractors and suppliers linked to resource-intensive activities, such as logistics and waste management services, the extraction and supply of raw materials, and subcontracted construction companies, whose financial and environmental impacts are more significant.

Neinor Homes' current and potential customers span the entire country of Spain, the main market in which it operates. Understanding their expectations in terms of quality and sustainability, as well as the economic, social and demographic factors that may influence their behaviour and demand, is essential for the company. Poor project management or a lack of social and environmental commitment can erode the trust of both the community and investors, while the opposite can expand market opportunities and consolidate brand positioning.

Being aware of the importance of regulation in our sector, the public authorities, in particular, and international organisations, in general, are identified as key actors. Urban planning policies, housing concession processes and environmental and social regulations are closely linked to the code of ethics and good governance that Neinor Homes is committed to comply with. A lack of regulatory commitment and legislative obsolescence can result in fines and sanctions, as well as internal problems with shareholders, investors and the community in general. Similarly, the relevance of financial institutions is recognised, not only in our own operations but also for the agents involved, such as suppliers and customers, because they condition their credit and savings capacity or their financing and investment decisions. Likewise, financial institutions are implementers of the EU Taxonomy, which the company recognises as an opportunity to access better financing conditions while contributing to sustainable financing, attracting investors who prioritise projects aligned with environmental and social objectives.

In short, the following have been identified as the main stakeholders:

- **GInternal groups:** Shareholders, Directors, Managers and Employees
- **External groups:** Suppliers and subcontractors, Customers, Logistics, Public Authorities and Financial Institutions.

All of them have been taken into account for the identification and mapping of potentially material impacts, risks and opportunities, which represents the next phase of this process.

The process of identifying IROS is explained in the section on the risk management model.

In the evaluation and prioritisation, the opinion of the stakeholder groups has been ascertained by means of an individual questionnaire that has a common structure in terms of the questions relating to the three major sustainability issues - environmental, social and governance - and a specific part, adapted to each group. In total, 40 questions were asked, of which 37 were thematic, in which the respondent assessed the magnitude of the potential impacts identified, as well as the financial impact that the risks and opportunities (whether or not derived from the business activity) could have on the business if they materialised, using a scale from 1 to 4 (1 being very irrelevant and 4 being very relevant). The stakeholders, both internal and external, who participated in this evaluation process are tier 1 suppliers, current customers, shareholders, investors, directors and employees from various departments.

The methodology also establishes that impacts and risks should be evaluated from both an inherent and a residual point of view. Inherent risk refers to the probability and severity of an impact or risk before control measures are applied, while residual impact or risk is that which persists after the implementation of internal controls and mitigation actions. Taking into account the company's strategy, regulatory compliance and business model, the main stakeholders have evaluated the materiality of the IROs from this perspective, considering that internal practices reduce the inherent risk associated with each potentially material issue.

IMPACT MATERIALITY

The materiality of the 76 impacts identified in the double materiality analysis has been determined based on the following criteria:

M

Magnitude (M): refers to the relevance of the impact generated. In the case of positive impacts, the magnitude of the social or environmental benefit generated is assessed, while in the case of negative impacts, the severity of the damage caused is evaluated. For this purpose, we have used a scale from 1 to 4, with 1 being very irrelevant and 4 being very relevant.

S

Scope (S): this refers to the breadth of the impact generated in terms of its extent. Neinor Homes' operations are national in scope; however, there are impacts which, by their nature, extend beyond their origin, such as GHG emissions or water pollution. To assess the scope, four ranges are established: local, provincial, national and international. This information has been transformed into quantitative terms using a scale that assigns 25% to local impact, 50% to provincial, 75% to national and 100% to international.

I

Irremediable nature (I): only negative impacts are evaluated, with the aim of assessing the company's capacity to remedy the damage caused. Irremediability is classified into four levels: highly remediable, remediable, not very remediable and non-remediable, quantified on a scale of 25% to 100%, taking into account that the materiality of the impact is greater the lower the company's capacity to resolve it.

P

Probability of occurrence (P): used to assess the likelihood of a potential impact materialising in the short, medium or long term. In this assessment, 100% is assigned to the expected probability if it is high, 75% if it is medium, 50% if it is low and 25% if it is very low. These results have been weighted, assigning a weighting of 50% to the probability of it occurring in the short term, 30% to the medium term and 20% to the long term.

The materiality of **current positive impacts** is calculated based on magnitude and scope (M*A), while **current negative impacts** also take into account the irremediable nature of the damage caused (M*A*I). The materiality of **potential impacts**, both positive and negative, also considers the probability of occurrence (M*A*P in the case of **positive impacts** and M*A*I*P in the case of **negative impacts**).

The time horizon considered to evaluate the probability of occurrence in the short, medium and long term is in line with European regulations. In this connection, short term is considered to be the reference period of the financial statements, equivalent to one year, medium term covers 1 to 5 years and long term more than 5 years.

The assessment of the materiality of the impact involves all the aforementioned stakeholder groups and the internal opinion of a group of experts with specific knowledge of ESG matters and extensive experience of Neinor Homes' strategy, business model and commercial relations. To avoid internal bias in the responses, the materiality criteria of external sources such as 'S&P Global' and 'MSCI' in the Real Estate and Homebuilding sector have also been taken into account, in addition to the United Nations' evaluation of the level of national performance in achieving Sustainable Development Goals linked to these issues.

The relative weighting of the parties involved in the evaluation has been defined taking into account the interaction of each group with the company, their level of knowledge of sustainability issues and their experience in the business. As a result, the following weightings have been assigned:

- **Internal group:** Shareholders, Directors and Managers (20%); Group of experts (40%); Employees (10%)
- **External group:** Suppliers (10%); Customers (5%)
- **External sources:** DJSI (5%); MSCI (5%); ODS (5%)

The materiality of each issue has been calculated taking into account the scores that each stakeholder group has assigned to each identified impact in terms of scope, magnitude, probability of occurrence in the short, medium and long term, and irremediability, as applicable. These scores have been weighted according to the weight assigned to each stakeholder group.

FINANCIAL MATERIALITY

Financial materiality assesses the effect that the risks and opportunities arising in the environment may have on the company's performance, results or continuity. The 110 potentially material risks and opportunities identified derive from the impacts generated by our operations and by the value chain, as well as from dependencies with the environment and commercial relationships.

Taking into account their potential nature, the materiality of the risks and opportunities is determined based **on the probability of occurrence and the potential magnitude** of their financial effect, both valued in the **short, medium and long term.**

As a result of the above, a matter will be considered material if the effect of the associated risks or opportunities is expected to have a significant effect on Neinor Homes' financial position, positioning or cash flows

Taking into account the nature and characteristics of the identified risks and opportunities, the metrics selected for their evaluation were:

- **EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortisation)
- Variation in **net cash flows** from operating, investment and financial activities **(Cash Flow)**
- **Leverage**, which includes bank borrowings, other short- and long-term financial liabilities and short-term loans payable to associate companies,
- **Turnover**
- **Investment property,** which includes the value of land, buildings and other constructions
- **Stock market price** (annual average of the opening value)

The thresholds for assessing financial magnitude have been defined based on the results of the financial statements for the last two financial years and the stock market price of the shares. These thresholds are aligned with the company's current risk map.

REFERENCE THRESHOLDS FOR THE CALCULATION OF FINANCIAL MATERIALITY			
MAGNITUDE	SCALE	CONVERSION	DESCRIPTION OF THE FINANCIAL EFFECT
High	≥ 20%	4	**Deviations greater than or equal to 20%** in EBITDA, net cash flows, leverage, turnover, value of tangible fixed assets and share price.
Medium	15%-19%	3	**Deviations of between 15% and 19%** in EBITDA, net cash flows, leverage, turnover, value of tangible fixed assets and share price.
Low	6%-14%	2	**Deviations of between 6% and 14%** in EBITDA, net cash flows, leverage, turnover, value of tangible fixed assets and share price.
Very low	≤ 5%	1	**Deviations of up to 5%** in EBITDA, net cash flows, leverage, turnover, value of tangible fixed assets and share price.

As with the materiality impact assessment, the assumptions for weighting the responses of stakeholders regarding the assessment of financial effects are the relationship with the company, the level of knowledge of ESG matters and knowledge of the business. As a result of the above, the opinion on the valuation of the financial effects of Directors, Board Members and Shareholders has a weighting of 30%, Employees and Suppliers 10% each, Customers 5% and the Group of Experts 45%.

Finally, as indicated, the score for the materiality of risks and opportunities is obtained by considering the evaluation of the magnitude of the stakeholder groups and the probability of occurrence, weighted according to their time priority, which assigns a weight of 50% to the short term, 30% to the medium term and 20% to the long term.

IDENTIFICATION AND PRIORITIZATION OF MATERIAL ISSUES

The identification and prioritisation of material issues represents the final phase of the Dual Materiality Analysis process and constitutes the basis on which the content of the Sustainability Report will be prepared.

The resulting score for the set of impacts, risks and opportunities has been grouped into 37 sub-themes - defined by the regulations and expanded according to Neinor Homes' characteristics - and ordered along two axes to reflect their materiality and level of priority. This exercise gives rise to the consolidated Group's double materiality matrix, which has been re-evaluated and validated by the expert criteria of the areas involved in this process.

All sustainability issues that exceed the materiality threshold, from an impact or financial point of view, and not only from the synergy of both, will be considered material for the Group. In this case, the threshold has been set at 2.5, corresponding to the average of the scale used in the evaluation.

STRATEGIC INTEGRATION AND VALIDATION

The material issues identified and prioritised through the methodological process have been validated by the Management Team to ensure that the findings and conclusions accurately reflect the reality of Neinor Homes. This validation process not only guarantees internal alignment, but also facilitates the effective incorporation of these results into the strategy and action plan.

As new material issues are identified or some cease to be so, the approaches and priorities are adjusted to ensure a response to the changing trends and expectations of the environment. These changes in materiality are integrated into the management processes, ensuring that strategic and operational decisions, as well as ESG objectives, are fully aligned with the company's activities and environmental needs.

The unique and cross-cutting nature of the impacts, risks and opportunities of a sustainable nature requires the coordinated integration of the Group's Control, Audit and Risk Management Systems. This is guaranteed by the **comprehensive Control, Compliance and Assurance** system, which uses the sector's best practices as a reference.

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GRI CONTENTS

GRI CONTENT INDEX

Neinor Homes has presented the information cited in this GRI content index for the period January 1st, 2023 - December 31st, 2023 with reference to the GRI Standards.

GRI STANDARDS	CONTENT	Page localitation or direct answer
GRI 1: Foundation 2021	This report	This report
GRI 2: General disclosures 2021	2-1 Organizational details	P. 4-10, 27-30
	2-2 Entities included in the organization´s sustainability reporting	p. 31, 60, 67-68, 80, 84
	2-3 Reporting period, frequency and contact point	Neinor Homes has presented the information cited in this GRI content index for the period between January 1st, 2024 and December 31st, 2024 with reference to the GRI Standards. This report is annual. For any information about this report yo may contact Neinor Homes corporate responsibility email: **sustainability@neinorhomes.com** **alvaro.conde@neinorhomes.com** The publication of this report is expected during the first quarter of 2024.
	2-4 Restatements of information	No relevant information han been restated with respect to last year
	2-5 Externa assurance	Verification report
	2-6 Activities, value chain and other business relationships	P. 5, 41-45, 57-59, 186-188
	2-7 Employees	P. 5, 162-163, 173-174
	2-8 Workers who are not employees	P. 5, 162-163, 173-174
	2-9 Governance structure and composition	P.6, 78-81, 171
	2-10 Nomination and selection of the highest governance body	P.6, 78-81, 172
	2-11 Hair of the highest governance body	P.5, 76-83, 172
	2-12 Role of the highest governance body in overseeing the management of impacts	P. 12, 63-66, 89-94, 133-147, 186-188
	2-16 Communication of critical concerns	P. 28, 31, 54, 114
	2-20 Process to determine remuneration	P. 171
	2-22 Statement on sustainable development strategy	P. 5-7, 57, 67, 72, 80, 84-85
	2-23 Policy commitments	P. 63-66

GRI STANDARDS	CONTENT	Page localitation or direct answer
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	No fines or sanctions were received in 2024
	2-28 Memberships associations	P. 62, 72-73
	2-29 Approach to stakeholder engagement	P. 61
	2-30 Colective bargaining agreements	P. 186-186, 178-180
GRI 3: Material topics 2021	3-1 Process to determine material topics	P. 224- 227
	3-2 List of material topics	P. 227
	3-3 Management of material topics	P. 224- 227
GOOD GOVERNANCE		
GRI 3: Material Topics 2022	3-3 Management of material topics	P. 76-77, 99-101
GRI 408: Child Labor	408-1: Operations and suppliers at significant risk for incidents of child labor	Neinor Homes has not identified centers or suppliers likely to have significant risks in relation to child exploitation and, upon entering into business with us, all suppliers accept the Code of Conduct for Third Parties, which includes zero tolerance for situations of child exploitation.
GRI 409: Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Neinor Homes has not identified centers or suppliers likely to have significant risks in relation to forced labor. All suppliers, upon entering into business with us, accept the Code of Conduct for Third Parties, which includes zero tolerance for forced labor.
ECONOMIC SUSTAINABILITY AND RESPONSIBLE INVESTMENT		
GRI 3: Material Topics 2022	3-3 Management of material topics	P. 60-61
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P. 58-59
	201-2 Financial implications and other risks and opportunities due to climate change	P. 91, 138-143
SUSTAINABLE SUPPLY CHAIN		
GRI 3: Material Topics 2022	3-3 Management of material topics	P. 185-190
GRI 204: Procurement practices	204-1: Proportion of spending on local suppliers	P. 185-190
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Neinor Homes has not identified centers or suppliers likely to have significant risks in relation to the right to freedom of association and collective bargaining
CORPORATE REPUTATION		
GRI 3: Material topics 2022	3-3 Management of material topics	P.6, 76-77, 99-100
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive bahavior, anti-trust, and monopoly practices	In 2024, no cases of corruption have been detected. In 2023, no claims for anti-competitive behaviour have been received. The Neinor Homes Code of Ethics and the Anti-Corruption, Fraud and Bribery policy prohibit any type of contribution to political parties and/or political representatives. In 2023, no breaches of the Code of Ethics have been identified in relation to these aspects.

GRI STANDARDS	CONTENT	Page localitation or direct answer
CORPORATE REPUTATION		
GRI 415: Public Policy 2016	415-1 Political contributions	P. 99 Neinor Homes does not accept any contributions to political parties and/or representatives.
TRANSPARENCY AND CORPORATE REPORTING		
GRI 3: Material topics 2021	3-3 Management of material topics	P. 4, 6, 13, 15, Verification report
GRI 306: Waste 2020	306-3 Waste generated	P.66
	306-4 Waste not intended for disposal	P 5, 136
GRI 303: Water and wastewater 2018	303-5 Water consumption	P.66
GRI 302: Energy 2016	302-1Energy consumption within the organization	P.66
GRI 305: Emisssions 2016	305-1 Direct GHG emissions (scope 1)	P.119-132
	305-2 Indirect GHG emissions (scope 2)	P.119-132
	305-3 Other indirect GHG emissions (scope 3)	P.119-132
PROMOTION OF SUSTAINABLE DWELLINGS		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 133-135, 142-148
HOUSING ACCESIBILITY		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 38-50, 149
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and service categories	P. 8, 59, 103, 107-113
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	P. 114
INNOVATION STRATEGY		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 63, 149-160
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 162, 163, 164, 175-176
GRI 403: Occupational Health and Safety 2018	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9	P. 181-182
LEADERSHIP AND SECTORIAL INFLUENCE WITH GGI		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 52, 62, 67-68, 85, 225-226

GRI STANDARDS	CONTENT	Page localitation or direct answer
MANAGEMENT OF HUMAN CAPITAL		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 106-114
MANAGEMENT OF HUMAN CAPITAL		
GRI 3: Material topics 2022	3-3 Management of material topics	P. 183
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P. 171
	405-2 Ratio of basic salary and remuneration of women to men	P. 168-171
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P. 167-168, 178-181

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF NEINOR HOMES, S.A. AND SUBSIDIARIES FOR 2024

To the Shareholders of Neinor Homes, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed a limited assurance engagement on the accompanying Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2024 of Neinor Homes, S.A. and subsidiaries ("the Neinor Homes Group"), which forms part of the Group's Directors' Report.

The content of the NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our attestation engagement. In this regard, our work was confined solely to verifying the information identified in sections "14. GRI Contents" and "11. Sustainable financing and compliance with European taxonomy" included in the accompanying NFIS.

Directors' Responsibilities

The preparation and content of the NFIS included in the Neinor Homes Group's Directors' Report are the responsibility of the directors of Neinor Homes, S.A. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as other criteria described as indicated for each matter in sections "14. GRI Contents" and "11. Sustainable financing and compliance with European taxonomy" of the aforementioned Statement.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Neinor Homes, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Deloitte Auditores, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the international standards on quality in force and, accordingly, maintains a system of quality that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is substantially lower.

Our work consisted of making inquiries of management and the various units of the Neinor Homes Group that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Neinor Homes Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2024 NFIS based on the materiality analysis performed by the Neinor Homes Group and described in section "13. About this report" of the NFIS, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2024 NFIS.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2024 NFIS.

- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2024 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.

- Obtainment of a representation letter from the directors and management.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of the Neinor Homes Group for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI Standards, as well as other criteria described as indicated for each matter in sections "14. GRI Contents" and "11. Sustainable financing and compliance with European taxonomy" of the aforementioned Statement.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, based on the Delegated Acts adopted in accordance with the provisions of that Regulation, establishes, for the first time for 2024, the obligation to disclose information on how and to what extent an undertaking's activities are associated with aligned economic activities in relation to the environmental objectives of the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems (the other environmental objectives), and in respect of certain new activities included in the climate change mitigation and climate change adaptation objectives, in addition to the information referring to eligible activities required in 2023 in relation to the aforementioned activities. However, as indicated in section "11. Sustainable financing and compliance with

European Taxonomy" of the accompanying NFIS, none of the Company's activities are associated in either 2023 or 2024 with eligible economic activities in connection with the environmental objectives or the new activities included in the climate change mitigation and climate change adaptation objectives referred to above. In this regard, the directors of the Neinor Homes Group have included information on the criteria that, in their opinion, make it possible to best comply with the aforementioned obligations and which are defined in section 11 of the accompanying NFIS. Our conclusion is not modified in respect of this matter.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.

Alicia Izaga
25 February 2025

WE LOVE YOU!