Neinor Homes, S.A.
and Subsidiaries

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

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.

NEINOR 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):

Hypothesis	Thousands of euros					
	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				
						Inefficiency	Fair Value Hedging Instrument 31.12.24	
Cover Item 2024	Hedging Instrument	Covered Risk	Type	Notional Value	Expiration	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				
						Inefficiency	Fair Value Hedging Instrument 31.12.23	
Cover Item 2023	Hedging Instrument	Covered Risk	Type	Notional Value	Expiration	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**

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

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:

As of December 31, 2024

	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.

	Thousands of Euros					
	Revenue			Expense		
	Net Turnover (Note 23.1)					
FY2024	Sales	Provision of services	Financial income	Cost of Sales – Procurement	Operating expenses (Note 23.3)	Financial expenses (Note 18)
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**

	Thousands of Euros					
	Revenue			Expense		
	Net Turnover (Note 23.1)					
FY2023	Sales	Provisiono f services	Financial income	Cost of Sales – Procurement	Operating expenses (Note 23.3)	Financial expenses (Note 18)
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

Entity	Domicile	Activity	% Direct and Indirect Participation 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.

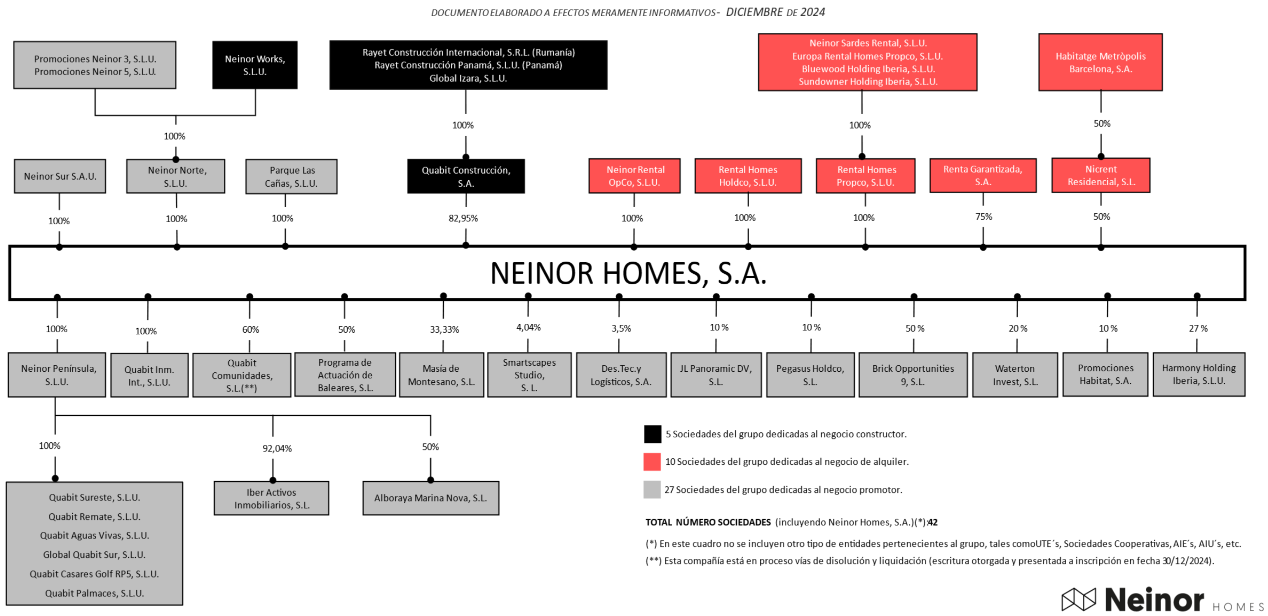
On December 17, a deed of sale of 2 assets with 147 homes located in Parla, Astral and Cosmos Homes was signed, for 29 million euros.

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. <u>Environmental and personnel issues</u>

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. Significant circumstances after the end of the year

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.