Management Report 2024

INMO CEMENTO

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1. SIGNIFICANT EVENTS

Real Estate Area

In March 2024, FCyC, S.A., head of the Real Estate Area, acquired an additional holding in Realia Business, S.A. from the Polygon fund, representing 10.26% of its share capital and amounting to 92.6 million euros. With this acquisition and other smaller acquisitions, the FCyC, S.A.'s direct and indirect shareholding in the aforementioned company as at 31 December 2024 stood at 77.62%.

In May 2024, Fomento de Construcciones y Contratas, S.A. (FCC) and Soinmob Inmobiliaria, S.A.U. (Soinmob) were part of the capital increase by FCyC, S.A. for 200 million euros, making an appropriate contribution for their stake. This means that there was no change in their percentages. FCC paid 160.1 million euros and the minority partner, Soinmob, paid 39.9 million euros.

On 16 January 2025, Realia Patrimonio S.L.U. finalised the novation of the syndicated loan, which was to mature on 27 April, 2025, for 414.2 million euros, extending its maturity to 26 October 2029.

Cement Area

On 27 November 2024, Cementos Portland Valderrivas, S.A., through Uniland Acquisition Corporation, as well as its partners in Giant Cement Holding Inc. (with Cementos Portland Valderrivas holding a 45% stake, Fortaleza LLC USA holding a 41% stake and Trituradora y Procesadora de Materiales Santa Anita SA de CV holding a 14% stake) signed a binding agreement with Heidelberg Materials North America for Heidelberg Materials North America to acquire 100% of the share capital of Giant Cement Holding Inc. and its subsidiaries (excluding the Keystone plant and some other properties, which will be separated off before the transaction is completed), for an approximate price of 600 million US dollars (company value), subject to certain post-completion adjustments. This transaction, net of debt and tax adjustments, could account for approximately 200 million US dollars in cash inflow for Cementos Portland Valderrivas, S.A.

2. EXECUTIVE SUMMARY

KEY FIGURES			
(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
Revenue	943.9	867.7	8.8%
Gross operating profit (EBITDA)	312.7	244.4	27.9%
EBITDA margin	33.1%	28.2%	*4.9 p.p*
Net operating profit (EBIT)	282.7	184.9	52.9%
EBIT margin	*30.0%*	*21.3%*	*8.7 p.p*
Income attributable to the parent company	151.6	225.2	-32.7%
Equity	2,938.6	2,661.0	10.4%
Net financial debt	852.5	1,180.9	-27.8%
Portfolio	253.3	135.8	86.5%

The Inmocemento Group has increased its income to 943.9 million euros, up by 8.8% on 2023. Both business areas have contributed positively to this growth: the Real Estate area has seen a 16.7% increase thanks to the rises in sales of developments and land, while the Cement division has posted a 5.5% increase, mainly driven by a favourable sales price environment.

The EBITDA grew by 27.9% to 312.7 million euros, compared to 244.4 million euros in the previous business year. This rise can be attributed both to sales growth and to reduced operating costs, which has increased the margin to 33.1%, compared to 28.2% during the previous business year.

- The Real Estate area has contributed 48% of the group's EBITDA, reaching 151.4 million euros, 44.3% more than in the previous business year, thanks to higher sales of developments and the sale of non-strategic land for an amount of 24.4 million euros. Wealth income remained at similar levels to the previous business year. The operating margin stood at 51.1%, compared to 41.3% during the previous business year.

- The Cement area has contributed 52% of the Group's EBITDA, a 16.3% increase compared to 2023, standing at 162.2 million euros. This performance is mainly due to the favourable environment of sales prices and the reduction of operating costs, mainly electricity and fuels. As a result, the margin has gone up to 25.0%, from 22.7% in 2023.

The EBIT stood at 282.7 million euros, 52.9% more than in the previous business year. This increase reflects both EBITDA performance and the accounting impact in 2023 of the market value review of the rental assets of the Real Estate area, amounting to -48.9 million euros compared to the positive result of 4.9 million euros in 2024. This impact was partially offset by the positive contribution of 24.6 million euros due to the favourable resolution of an expropriation dispute in the cement area in 2023.

Attributable net income reached 151.6 million euros, 32.7% down year-on-year. In addition to the EBIT performance, this decrease is primarily due to the positive impact in 2023 of the inclusion of Metrovacesa's stake in the Real Estate division through the equity method, amounting to 142.4 million euros. This change occurred after access to the entity's board and the acquisition of influence in the management of the investee entity.

Net financial debt closed the year at 852.5 million euros, 27.8% lower than in 2023. This reduction is due in part to the capital increase carried out in FCyC for 200 million euros, and the positive generation of cash in both areas.

Equity at the end of the period stood at 2,938.6 million euros, compared to 2,661 million euros during the previous business year. This 10.4% increase is mainly due to the contribution of net income for the period and the aforementioned cash injection in the second half of the year, amounting to 200 million euros.

3. SUMMARY BY AREA

(million euros)

Area	Dec. 24	Dec. 23	Chg. (%)	% of 24 total	% of 23 total
REVENUE BY BUSINESS AREA					
Real Estate	296.0	253.8	16.7%	31.4%	29.2%
Cement	648.1	614.3	5.5%	68.7%	70.8%
Inmocemento and eliminations	(0.2)	(0.4)	-50.0%	0.0%	0.0%
Total	**943.9**	**867.7**	**8.8%**	**100.0%**	**100.0%**
REVENUE BY GEOGRAPHICAL AREA					
Spain	701.9	634.3	10.7%	74.4%	73.1%
United Kingdom	81.8	89.5	-8.6%	8.7%	10.3%
Tunisia	51.1	62.2	-17.8%	5.4%	7.2%
Other	109.1	81.7	33.5%	11.6%	9.4%
Total	**943.9**	**867.7**	**8.8%**	**100.0%**	**100.0%**
EBITDA*					
Real Estate	151.4	104.9	44.3%	48.4%	42.9%
Cement	162.2	139.5	16.3%	51.9%	57.1%
Inmocemento, S.A.	(0.8)	0.0	N/A	-0.3%	0.0%
Total	**312.7**	**244.4**	**28.0%**	**100.0%**	**100.0%**
NET OPERATING PROFIT (EBIT)					
Real Estate	155.8	55.8	179.2%	55.1%	30.2%
Cement	127.7	129.1	-1.1%	45.2%	69.8%
Inmocemento, S.A.	(0.8)	0.0	N/A	-0.3%	0.0%
Total	**282.7**	**184.9**	**52.9%**	**100.0%**	**100.0%**
NET FINANCIAL DEBT*					
Real Estate	795.7	1,036.9	-23.3%	93.3%	87.8%
Cement	56.8	144.0	-60.6%	6.7%	12.2%
Total	**852.5**	**1,180.9**	**-27.8%**	**100.0%**	**100.0%**

** See page 21 for a definition of the calculation in accordance with ESMA Guidelines (2015/1415en).*

4. INCOME STATEMENT

(million euros)	Dec. 24	Dec. 23	Chg. (%)
Revenue	**943.9**	**867.7**	**8.8%**
Gross Operating Profit (EBITDA)	**312.7**	**244.4**	**27.9%**
EBITDA margin	***33.1%***	***28.2%***	***4.9 p.p***
Provision for amortisation of fixed and non-current assets	(34.7)	(34.8)	-0.3%
Other operating profit(/loss)	4.7	(24.7)	-119.0%
Net Operating Profit (EBIT)	**282.7**	**184.9**	**52.9%**
EBIT margin	***30.0%***	***21.3%***	***8.7 p.p***
Financial profit(/loss)	(45.2)	(31.3)	44.4%
Other financial profit/(loss)	1.1	(0.9)	N/A
P/L of companies accounted for by the equity method	(5.3)	131.6	-104.0%
Profit/(loss) before tax from continuing activities	**233.3**	**284.3**	-17.9%
Corporate income tax expense	(56.5)	(16.1)	N/A
Income from continuing operations	**176.8**	**268.2**	**-34.1%**
Net Income	**176.8**	**268.2**	**-34.1%**
Non-controlling interests	(25.2)	(43.0)	-41.4%
Income attributable to the parent company	**151.6**	**225.2**	**-32.7%**

4.1 Revenue

Consolidated revenue grew by 8.8% on the previous business year to 943.9 million euros, thanks to positive developments in its two business areas:

Real Estate saw a 16.7% increase to 296 million euros, due to higher sales of developments, and the sale of non-strategic land for 24.4 million euros. Wealth income remained at similar levels to the previous business year.

Cement saw a 5.5% increase to 648.1 million euros, thanks to favourable changes in prices, mainly in the Spanish and UK markets, along with increased export volumes.

Revenue breakdown by geographical area

(million euros)	Dec. 24	Dec. 23	Chg. (%)
Spain	701.9	634.3	10.7%
United Kingdom	81.8	89.5	-8.6%
Tunisia	51.1	62.2	-17.8%
Other	109.1	81.7	33.5%
Total	**943.9**	**867.7**	**8.8%**

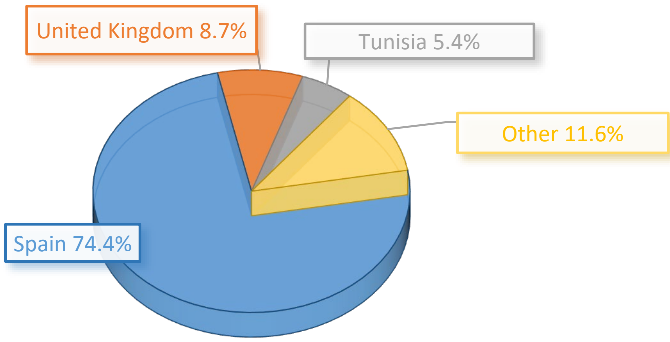
When the income is broken down by geographic region, the turnover in Spain, which accounts for 74.4% of the total, increased by 10.7% to 701.9 million euros. This growth has been attributable both to increased activity in the Cement sector, driven by a slight increase in volumes and more notable price increases, and to increased Real Estate activity due to higher sales of developments and land.

In the United Kingdom, turnover in the Cement Area amounted to 81.7 million euros, 7.8 million euros less than the previous year, mainly due to the decrease in cement demand in the country, which has been partially offset in this area by price increases compared to 2023.

In the local Tunisian market, the turnover in the Cement Area fell by -17.8%. In this case, it has been affected by lower volumes and slightly lower prices.

Meanwhile, export revenue grew sharply by 33.5% to 109.1 million euros, with destinations in various countries in Europe, Africa and the Americas.

% revenue by geographical area



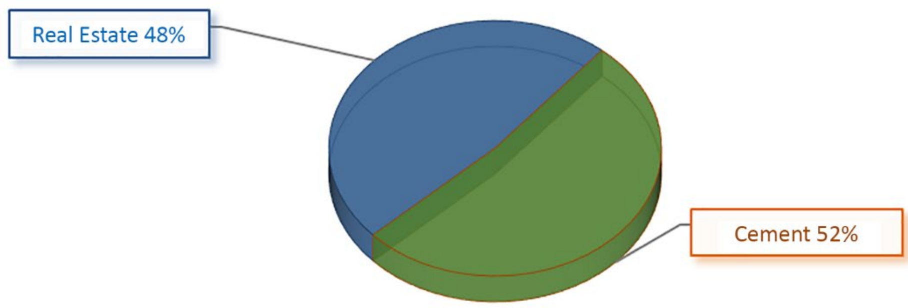
4.2 Gross operating profit (EBITDA)

The EBITDA grew by 27.9% to 312.7 million euros, compared to 244.4 million euros in the previous business year. This rise can be attributed both to sales growth and to reduced operating costs, which has increased the margin to 33.1%, compared to 28.2% during the previous business year.

The **Real Estate** area has contributed 48% of the Group's EBITDA, standing at 151.4 million euros, 44.3% more than in the previous business year, thanks to the sale of jointly owned non-strategic land, amounting to 24.4 million euros, and to higher sales of developments. Wealth income remained at similar levels to the previous business year. The operating margin stood at 51.1%, compared to 41.3% during the previous business year.

The **Cement** area has contributed 52% of the Group's EBITDA, a 16.3% increase compared to 2023, standing at 162.2 million euros. This performance is mainly due to the favourable environment of sales prices and the reduction of operating costs, mainly electricity and fuels. As a result, the margin has gone up to 25.0%, from 22.7% in 2023.

EBITDA by Business Area



4.3 Net operating profit (EBIT)

The EBIT stood at 282.7 million euros, 52.9% more than in the previous business year. This increase reflects both the EBITDA performance and the accounting impact in 2023 of the market value review of the rental assets of the Real Estate area, amounting to -48.9 million euros compared to the positive result of 4.9 million euros in 2024. This impact was partially offset by the positive contribution of 24.6 million euros due to the favourable resolution of an expropriation dispute in the Cement area.

4.4. Pre-tax profit(/loss) from continuing activities (EBT)

Pre-tax profit from continuing operations came to 233.3 million euros, down 284.3 million on the previous business year. This decrease has mainly been attributed to the lower contribution of "Profits(/losses) of companies accounted for using the equity method" during 2024.

Thus, the performance was as follows for the various components:

4.4.1 Financial profit(/loss)

Net financial result reached -45.2 million euros, compared to -31.3 million euros in the previous year, due to higher financing costs associated with the Real Estate area after the end of interest rate hedging the group had taken out.

4.4.2 Other financial profit/(loss)

This heading contains an amount of 1.1 million euros compared to -0.9 million euros in 2023. The difference is due to exchange rate fluctuations against the euro in the Cement area.

4.4.3 Profits/(losses) of companies accounted for by the equity method

The contribution from investee companies decreased to -5.3 million euros, compared to the positive 131.6 million euros in the previous business year. This reduction is primarily due to the positive impact recorded in 2023 by the recognition of Metrovacesa's stake in the Real Estate area using the equity method, which amounted to 142.4 million euros. This change occurred after access to the entity's board and the acquisition of influence in the management of the investee entity.

4.5 Income attributable to the parent company

The attributable net income at year-end 2024 was 151.6 million euros, compared to 225.2 million euros in the previous business year. This decrease is due to EBT performance, together with an already normalised expense for corporate income tax versus the adjustment made the previous year, which positively impacted the result of 2023. In that year, the group was allowed to activate tax credits amounting to 18.9 million euros.

5. BALANCE SHEET

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Intangible assets	148.9	149.0	(0.1)
Property, plant and equipment	495.9	478.0	17.9
Real estate investments	2,089.6	2,088.2	1.4
Investments accounted for using the equity method	492.0	574.3	(82.3)
Non-current financial assets	19.4	19.0	0.4
Deferred tax assets and other non-current assets	155.7	173.4	(17.7)
Non-current assets	**3,401.5**	**3,381.9**	**19.3**
Non-current assets held for sale	62.3	0.0	62.3
Inventory	838.3	821.5	16.8
Trade and other receivables	150.5	138.3	12.2
Other current financial assets	15.6	28.3	(12.7)
Cash and cash equivalents	136.3	66.2	70.1
Current assets	**1,203.0**	**1,054.3**	**148.7**
TOTAL ASSETS	**4,604.5**	**4,536.2**	**68.3**
Equity attributable to shareholders of the parent company	2,237.8	1,894.0	343.8
Non-controlling interests	700.8	767.0	(66.2)
Equity	**2,938.6**	**2,661.0**	**277.6**
Subsidies	0.7	0.6	0.1
Non-current provisions	66.4	63.2	3.2
Non-current financial debt	311.4	813.4	(502.0)
Other non-current financial liabilities	39.1	42.5	(3.4)
Deferred tax liabilities and other non-current liabilities	317.6	317.3	0.3
Non-current liabilities	**735.1**	**1,237.1**	**(502.0)**
Current provisions	22.8	6.3	16.5
Current financial debt	689.4	445.7	243.7
Other current financial liabilities	14.8	21.3	(6.5)
Trade and other payables	203.8	164.8	39.0
Current liabilities	**930.8**	**638.1**	**292.7**
TOTAL LIABILITIES	**4,604.5**	**4,536.2**	**68.3**

5.1 Property, plant and equipment, intangible assets and real estate investments

Operating fixed and non-current assets grew by slightly less than 1%, to 2,734.4 million euros.

Intangible assets remain unchanged, stabilising at 148.9 million euros during the period. Property, plant and equipment increased by 3.7% compared to 2023, growing by 17.9 million euros to 495.9 million, mainly due to investments in the cement area.

Real estate investments remained in line with the previous year at 2,089.6 million euros, reflecting minimal changes in rental properties.

5.2 Investments accounted for using the equity method

The "Investments accounted for using the equity method" heading has gone down to 492.0 million euros, compared to 574.3 million euros during the previous business year. This decrease of 82.3 million euros is mainly due to the reclassification as "Assets held for sale" of the United States assets in the cement area subject to a binding sale agreement worth 62.3 million euros, and the distribution of dividends by company Metrovacesa, S.A. amounting to 22.2 million euros.

The breakdown of investments by area of activity as at December 2024 is as follows:

- 82.8 million euros from subsidiaries of the parent company in the Cement area
- 409.2 million euros from investee companies in the Real Estate area

5.3 Non-current financial assets

Non-current financial assets have seen growth of 2.1% to 19.4 million euros. This slight increase is attributed to the Cement area, which was up 0.4 million euros compared to the previous business year.

5.3 Cash and cash equivalents

Cash and cash equivalents amounted to 136 million euros at year-end 2024, 70 million euros more than at year-end during the previous business year. This positive change is largely attributable to a significant increase in the cash and bank funds available in the Real Estate area.

5.5 Equity

Equity at the end of the period came to 2,938.6 million euros, compared to 2,661 million euros the previous year. This 10.4% increase is due to the contribution of net income achieved during the period and the cash injection in the second half of the year, amounting to 200 million euros in the Real Estate Area.

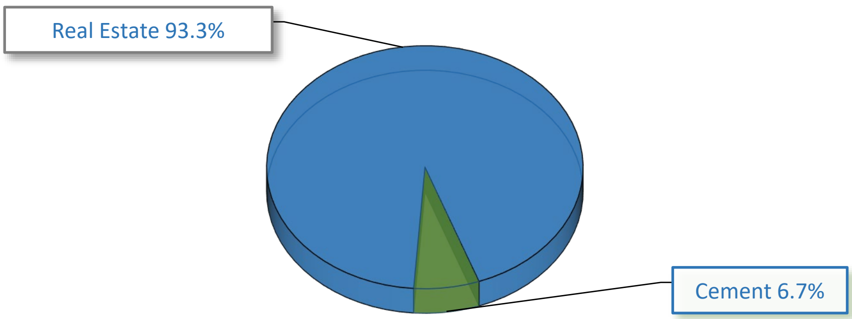
5.6 Financial debt

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Bank borrowings	994.1	912.1	82.0
Other financial liabilities	6.7	347.0	(340.3)
Gross Financial Debt	**1,000.8**	**1,259.1**	**(258.3)**
Treasury and other current financial assets	(148.3)	(78.2)	(70.1)
Net Financial Debt	**852.5**	**1,180.9**	**(328.4)**

The Group's gross financial debt decreased by 258.3 million euros compared to December of the previous year, coming to 1,000.8 million euros. This 20.5% decrease is mainly due to the repayment of debt owed to the FCC Group prior to the spin-off, along with the cancellation of debt owed to third parties by Realia and Cementos Portland.

As at the end of December 2024, 68.9% of the debt, 689.4 million euros, had short-term maturity and was structured as bank debt. However, on 16 January 2025, the Group company Realia Patrimonio signed the novation of the syndicated loan that was due in April 2025, amounting to 414.2 million euros, establishing a new maturity in 2029.

Breakdown of Net Financial Debt by Business Area



The net financial debt has decreased to 852.5 million euros as at 31 December 2024, a reduction of 328.4 million euros compared to 2023 or a 27.8% decrease year-on-year.

6. CASH FLOWS

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Gross Operating Profit (EBITDA)	**312.7**	**244.4**	**27.9%**
(Increase)/decrease in working capital	18.6	6.5	186.2%
Corporate income tax (paid)/received	(25.8)	(26.9)	-4.1%
Other operating cash flow	31.1	56.2	-44.7%
Operating cash flow	**336.6**	**280.2**	20.1%
Investment payments	(52.8)	(239.8)	-78.0%
Proceeds from disposals	0.4	0.4	0.0%
Other investment cash flows	3.1	57.4	-94.6%
Investment cash flow	**(49.3)**	**(182.0)**	**-72.9%**
Interest paid	(42.0)	(29.3)	43.3%
(Payment)/receipt of financial liabilities	(264.4)	82.1	N/A
Other financing cash flow	88.3	(140.7)	-162.8%
Financing cash flow	**(218.1)**	**(87.9)**	**148.1%**
Conversion differences, change in consolidation scope, etc.	0.8	(0.8)	N/A
Increase/(decrease) in cash and cash equivalents	**70.0**	**9.5**	**N/A**

6.1 Operating cash flow

Operating cash flow generated during the year amounted to 336.6 million euros, an increase of 56.4 million euros compared to the previous business year. This growth is mainly attributable to the increased operating resources generated in both areas of activity: in the Real Estate area, with a volume of 154 million euros and in Cement, with 165.6 million euros. In addition, working capital also showed increased cash generation to 18.6 million euros, mainly derived from the flow generated by the delivery of properties in the real estate development activity.

The “Collections/(payment) of corporate income tax” heading had an outflow of 25.8 million euros, a very similar figure to the previous business year. “Other operating cash flow” represented an inflow of 31.1 million euros during the year, largely due to dividends received from investee companies, which amounted to 25.1 million euros.

6.2 Investment cash flow

Investment cash flow decreased significantly in 2024, with a total outflow of 49.3 million euros, 72.9% down on the previous year. Investment payments totalled 52.8 million euros, concentrated in the Cement area, with 43.8 million allocated to various assets related to maintenance and renovation operations of production facilities.

In the previous business year, an amount of 182 million euros was recorded. In addition to recurring maintenance investments, it included the capital investment made in an investee company from the Cement area in the USA (Giant Cement) for 105.8 million euros, as well as the increased stake in Metrovacesa, in the Real Estate area, for 89.4 million euros.

The breakdown of net investments by business area, excluding other cash flows from investment activities, in terms of payments and collections, is as follows:

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Cement	(43.5)	(129.7)	86.2
Real Estate	(8.7)	(109.7)	101.0
Inmocemento SA and adjustments	(0.3)	0.0	(0.3)
Net investments *(Payments - Collections)*	**(52.5)**	**(239.4)**	**186.9**

6.3 Financing cash flow

The financing cash flow recorded an outflow of 218.1 million euros compared to 87.9 million euros in the previous year. The main change is in the "Proceeds from (and payments on) financial liability instruments" heading, with a net change in debt of 264.4 million euros. This has reduced the Group's external financing balance, especially in the Real Estate area, where this item was reduced by 176.4 million euros.

Interest payments recorded an outflow of 42.0 million euros, an increase year-on-year due to the increased overall financing.

"Other financing cash flow" showed an inflow of 88.3 million euros, which mainly includes the impact of the capital injection in the second half of business year in the Real Estate area for 200 million euros, and the investment made in the additional purchase of a percentage of Realia's capital in the same area.

6.4 Change in cash and cash equivalents

As a result of the changes in the different cash flow components, the Inmocemento Group's cash position ended the 2024 business year with an increase of 70.1 million euros, to a balance of 136.3 million euros.

7. ANALYSIS BY BUSINESS AREA

7.1 Real Estate

The Real Estate area contributed 48% of the Inmocemento Group's EBITDA during the business year. Its activity is centred in Spain and structured into two main activities, with the first involving holding, developing and operating of all types of real estate on a rental basis (mainly offices, shopping centres and commercial establishments). This is in addition to developing properties for sale, which includes the urban management of its land portfolio, providing development management services for third parties.

7.1.1. Earnings

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Turnover	296.0	253.8	16.7%
Development and land	*177.3*	*137.9*	*28.6%*
Equity	*118.7*	*115.8*	*2.5%*
EBITDA	151.4	104.9	44.3%
EBITDA margin	*51.1%*	*41.3%*	*9.8 p.p*
EBIT	155.8	55.8	179.2%
EBIT margin	*52.6%*	*22.0%*	*30.6 p.p*

The area's revenues increased by 16.7% year-on-year to 296 million euros.

For **Development and Land**, the turnover was 177.3 million euros, an increase of 39.4 million euros or 28.6%. This increase is attributable to higher income from housing deliveries, up 12% and higher sales of non-strategic land compared to the previous year. In 2024, land sales were valued at 24 million euros, compared to 0.9 million euros in 2023.

During 2024, new developments have been delivered. Together with the marketing of pre-existing finished products, 293 units in total were delivered, compared to 261 in 2023.

As at 31 December 2024, the area has a stock of 1,365 units (housing and commercial premises) completed or in progress and pending delivery, of which 597 units are reserved or sold.

The land portfolio in its various urban development stages amounts to 12,086,096 m² of gross surface area, with an estimated buildable area of 2,242,350 m².

In **Equity**, revenue hit 118.7 million euros, up 2.5% from the previous business year, mainly due to the updated rents. The overall occupancy rate for tertiary use properties in operation stood at 93.2% in 2024, in line with 2023.

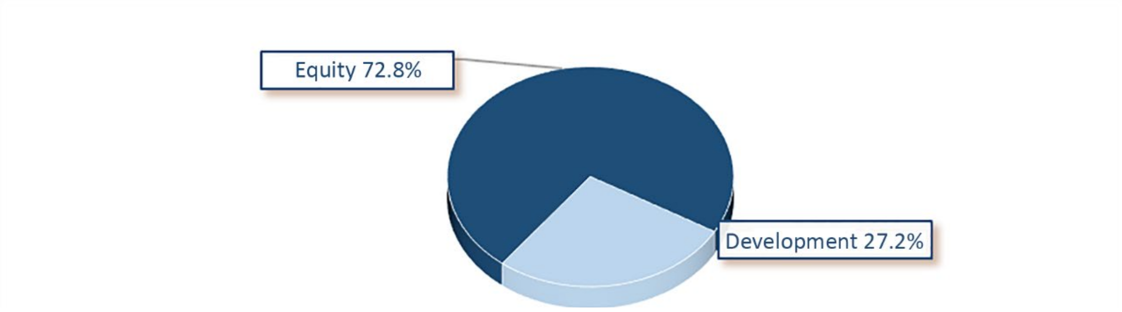
The area continues with Build to Rent (BTR), and had a total of 280 homes in Tres Cantos (Madrid) as at 31 December 2024. The overall occupancy rate for Built-to-Rent (BTR) properties stood at 99.0% as at December 2024, compared to 69.4% in December 2023.

The EBITDA grew by 44.3% to 151.4 million euros, compared to 104.9 million euros in the previous business year. The increased revenue was combined with optimised costs, which has led to a 51.1% increase in operating margin, compared to 41.3% during the previous year.

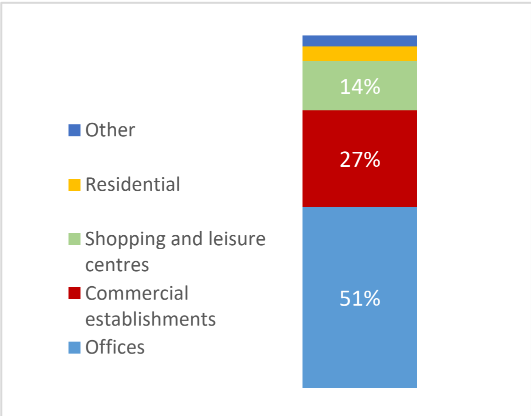
The EBIT stood at 155.8 million euros, 179.2% more than in the previous business year. This increase reflects both the performance of the EBITDA and the accounting impact in 2023 of the market value review of the rental assets of the area, amounting to -48.9 million euros.

In the second half of 2024, a turning point in asset valuations was evident due to the downward trend in interest rates. In 2024, the impact of valuation was positive at 4.9 million euros. The market valuation of the real estate assets in the area as at 31 December 2024 is presented below, which stands at 2,942.6 million euros, 1.4% higher than the previous business year. The majority of the estimated value of assets corresponds to Equity, which account for 72.8% of the total, on 2,142.5 million euros, while Residential Development assets, which include land in the different stages of development as well as developments for sale, both in progress and finished, account for 27.2% of the total, on 800.1 million euros.

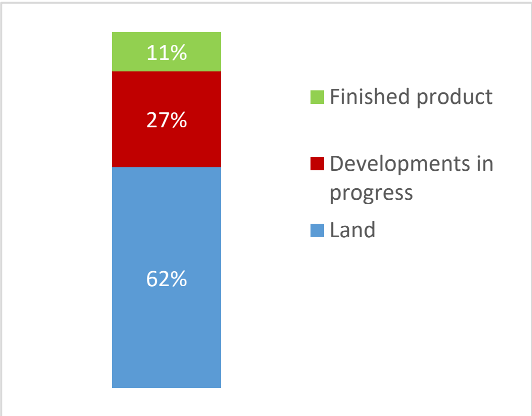
GAV by Activity (not including Metrovacesa)



Equity



Residential Development



7.1.2. Financial debt

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Net financial debt	795.7	1036.9	-23.3%

The net financial debt decreased by 241.2 million euros compared to December of the previous year, coming to 795.7 million euros. This 23.3% decrease is mainly due to the repayment of debt owed to the FCC Group prior to the spin-off, along with the cancellation of debt owed to third parties by Realia.

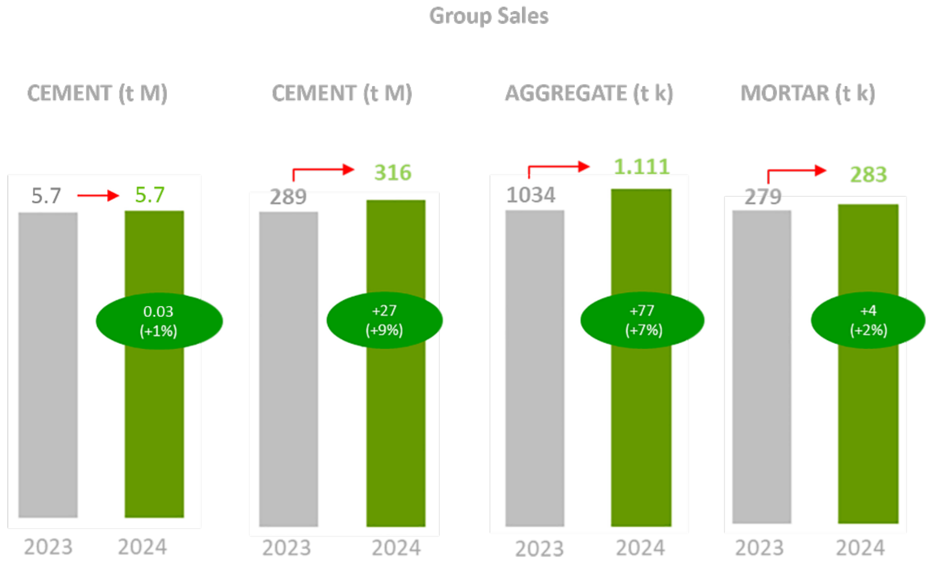
On 16 January 2025, the Group company Realia Patrimonio signed the novation of the syndicated loan that was due in April 2025, amounting to 414.2 million euros, establishing a new maturity in 2029.

7.2 Cement

The Cement area has contributed 69% of the Inmocemento Group's revenue and 52% of its EBITDA in 2024.

Cement activity is carried out through the Cementos Portland Valderrivas Group, with seven production plants in Spain, one in Tunisia, three import terminals in the United Kingdom, a trading office in the Netherlands and a 45% minority stake in Giant Cement, which owns several cement plants on the east coast of the United States. In addition to these industrial positions, exports are made from these countries to Africa, Europe and America.

The consolidated annual sales **volume** for the area during 2024 is summarised as follows: 5.7 million tonnes of cement sales (up 0.5% from 2023); 1.1 million tonnes of aggregates (up 7.5% from 2023); 0.3 million m3 of concrete (up 9.4% from 2023); and 0.3 million tonnes of mortar (up 1.6% from 2023).



7.2.1. Earnings

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Turnover	**648.1**	**614.3**	**5.5%**
Cement	*593.9*	*563.8*	*5.3%*
Other	*54.2*	*50.5*	*7.3%*
EBITDA	**162.2**	**139.5**	**16.3%**
EBITDA margin	*25.0%*	*22.7%*	*2.3 p.p*
EBIT	**127.7**	**129.1**	**-1.1%**
EBIT margin	*19.7%*	*21.0%*	*-1.3 p.p*

The area's **income** grew by 5.5% compared to the previous business year to 648.1 million euros, thanks to favourable changes in prices, mainly in the Spanish and UK markets, along with increased export volumes.

In 2024, cement manufacturing has accounted for 91.6% of its turnover, and the combined concrete, mortar and aggregates businesses has made up 8.4% thereof.

Breakdown of revenue by geographical area			
(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
Spain	406.1	380.9	6.6%
Tunisia	51.1	62.2	-17.8%
United Kingdom	81.7	89.6	-8.8%
Miscellaneous (exports)	109.1	81.6	33.7%
Total	**648.1**	**614.3**	**5.5%**

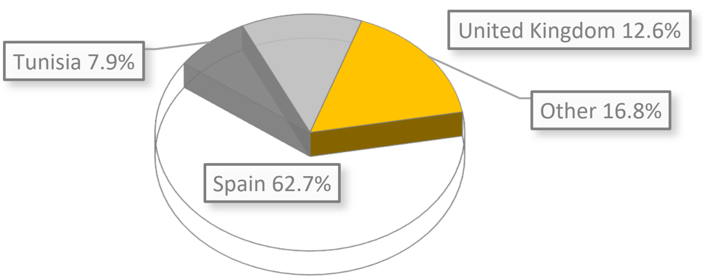
By **geographic areas**, in Spain, turnover increased by 6.6% to 406.1 million euros, due to a slight increase in cement and clinker sales volumes and the favourable changes in sales prices.

In the local market of Tunisia, turnover has fallen by 17.8%. In this case, it has been affected by lower volumes and slightly lower prices.

Sales through UK terminals have fallen by 8.8%. The decline in demand in the country has been partially offset by price increases compared to 2023.

Meanwhile, export revenue grew sharply by 33.7% to 109.1 million euros, with destinations in various countries in Europe, Africa and the Americas.

Breakdown of revenue by geographical area



The **EBITDA** increased by 16.3% to 162.2 million euros, compared to 139.5 million euros in the previous business year. This increase can be attributed both to sales growth and reduced operating costs, mainly for electricity and fuels. As a result, the operating margin has gone up to 25.0%, compared to 22.7% the previous year.

Net operating profit stood at 127.7 million euros, compared to 129.1 million euros in 2023. This result reflects both the positive performance of gross profit and the extraordinary impact in 2023 of 24.5 million euros in revenue resulting from the successful resolution of a lawsuit in Spain.

7.1.2. *Financial debt*

(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (€M)***
Net financial debt	56.8	144.0	(87.2)

Net financial debt decreased by 87.2 million euros compared to December of the previous year, to 56.8 million euros as a result of the positive operational performance described.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Explanatory note

EBITDA

We define EBITDA as earnings from continuing operations before tax, earnings of companies accounted for using the equity method, financial profit(/loss), depreciation and amortisation charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

EBITDA Margin

Considered as EBITDA (or gross operating profit) divided by Net Turnover in each case.

EBIT

This corresponds to the operating profit/(loss) in the consolidated income statement presented in the accompanying consolidated financial statements.

EBIT margin

Considered as EBIT (or operating profit/loss) divided by Net Turnover in each case.

PORTFOLIO

We do not calculate the Cement area's portfolio due to the typically short-term nature of the order cycle.

In the Real Estate area, the real estate portfolio corresponds to the amount of the collection corresponding to the sales of properties pending formalisation at the end of the period in the Development activity. The GAV corresponds to the market value of the real estate assets as determined by independent experts and the occupancy rate at the occupied surface area of the portfolio of rental property assets divided by the portfolio's operating surface area.

GROSS FINANCIAL DEBT

Debts (current and non-current) with credit institutions, debt instruments and loans, financial lease payables and other financial borrowings from third parties, joint ventures and associates on the Liabilities side of the consolidated balance sheet.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt less current financial assets, cash and other cash equivalents.

WORKING CAPITAL

The part of Current assets financed using non-current funds (non-current liabilities and Equity). It is calculated as the sum of Current Assets minus the sum of Current Liabilities.

9. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 31 December 2024, prepared in accordance with the International Financial Reporting Standards (IFRS) that had been adopted by the European Union at the end of the period, in conformity with Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002.
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10. CONTACT DETAILS

Postal address:	Avda. Camino de Santiago, 40 Edificio 1, 28050- Madrid. Spain
Telephone:	91 353 44 88
Website:	www.inmocemento.es
E-mail:	ir@inmocemento.es