UNACEM Perú S.A.

Financial Statements

As of December 31, 2024 and 2023

(including Independent Auditors' Report)

(TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN SPANISH)

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(Translation of Financial Statements originally issued in Spanish)

UNACEM Perú S.A.
Statement of Financial Position
As of December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Assets			
Current assets			
Cash and cash equivalents	*8*	50,854	32,991
Trade and other accounts receivable	*9*	316,945	372,095
Inventories	*10*	566,780	586,130
Prepaid expenses		4,613	2,726
Total current assets		939,192	993,942
Non-current assets			
Financial investments		6,635	4,198
Trade and other accounts receivable	*9*	85,155	1,263
Right-of-use assets		6,904	-
Mining concessions and property, plant and equipment	*11*	3,845,290	3,708,642
Deferred asset related to stripping	*12*	88,982	92,211
Intangible assets	*13*	14,966	14,299
Total non-current assets		4,047,932	3,820,613
Total assets		4,987,124	4,814,555

In thousands of soles	*Note*	2024	2023
Liabilities			
Current liabilities			
Other financial liabilities	*15*	1,225,412	466,350
Trade and other accounts payable	*14*	414,099	331,959
Deferred revenue		12,815	9,181
Provisions	*16*	45,470	43,330
Lease liabilities		1,945	-
Total current liabilities		1,699,741	850,820
Non-current liabilities			
Other financial liabilities	*15*	228,631	1,107,997
Deferred Income tax liabilities	*17*	346,041	368,165
Lease liabilities		5,165	-
Provisions	*16*	15,558	19,137
Total non-current liabilities		595,395	1,495,299
Total liabilities		2,295,136	2,346,119
Equity	*18*		
Issued capital		2,156,485	2,156,485
Legal reserve		121,997	80,994
Unrealized gains and losses		12,229	13,177
Retained earnings		401,277	217,780
Total equity		2,691,988	2,468,436
Total equity and liabilities		4,987,124	4,814,555

The accompanying notes on pages 6 to 55 are an integral part of these financial statements.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Perú S.A.
Statement of Profit or Loss
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Revenue	*19*	2,711,532	2,743,791
Cost of sales	*20*	(1,703,158)	(1,807,620)
Gross profit		1,008,374	936,171
Operating income (expenses)			
Administrative expenses	*21*	(172,114)	(153,071)
Sales expenses	*22*	(56,774)	(54,015)
Other income	*24*	23,110	25,174
Other expenses	*24*	(128,269)	(125,464)
		(334,047)	(307,376)
Operating profit		674,327	628,795
Financial income	*25*	3,815	10,898
Financial expenses	*26*	(84,834)	(90,250)
Exchange difference, net	*29.A.ii*	625	11,362
Finance charge, net		(80,394)	(67,990)
Profit before tax		593,933	560,805
Income Tax expenses	*29.B*	(183,908)	(172,323)
Net profit or loss		410,025	388,482

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UNACEM Perú S.A.
Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Net profit or loss		410,025	388,482
Other comprehensive income Other comprehensive income to be reclassified to profit or loss			
Changes in fair value of hedging instruments	*30.A*	(1,345)	(795)
Total other comprehensive income to be reclassified to profit or loss		(1,345)	(795)
Income tax related to components of other comprehensive income			
Fair value of hedging instruments	*17*	397	235
Income tax related to components of other comprehensive income		397	235
Other comprehensive income, net of taxes		(948)	(560)
Total other comprehensive income, net of taxes		409,077	387,922

The accompanying notes on pages 6 to 55 are an integral part of these financial statements.

UNACEM Perú S.A.
Statement of Changes in Net Equity
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	Issued capital (note 18.A)	Legal reserve (note 18.B)	Unrealized gains and losses	Retained earnings	Total
Balance as of January 1, 2023		2,156,485	42,146	13,737	139,200	2,351,568
Other comprehensive income						
Net profit or loss		-	-	-	388,482	388,482
Other comprehensive income		-	-	(560)	-	(560)
Total other comprehensive income		-	-	(560)	388,482	387,922
Transactions with owners of the Company						
Dividend distribution	*18.C*	-	-	-	(271,054)	(271,054)
Legal reserve		-	38,848	-	(38,848)	-
Total transactions with owners of the Company		-	38,848	-	(309,902)	(271,054)
Balance as of December 31, 2023		2,156,485	80,994	13,177	217,780	2,468,436
Balance as of January 1, 2024		2,156,485	80,994	13,177	217,780	2,468,436
Other comprehensive income						
Net profit or loss		-	-	-	410,025	410,025
Other comprehensive income		-	-	(948)	-	(948)
Total other comprehensive income		2,156,485	80,994	12,229	627,805	2,877,513
Transactions with owners of the Company						
Dividend distribution	*18.C*	-	-	-	(185,525)	(185,525)
Legal reserve		-	41,003	-	(41,003)	-
Total transactions with owners of the Company		-	41,003	-	(226,528)	(185,525)
Balance as of December 31, 2024		2,156,485	121,997	12,229	401,277	2,691,988

The accompanying notes on pages 6 to 55 are an integral part of these financial statements.

UNACEM Perú S.A.
Statement of Cash Flows
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Cash flows from operating activities			
Cash receipts from sale of goods		3,241,652	3,242,672
Cash payments to suppliers		(1,786,994)	(2,071,635)
Cash payments to employees		(313,199)	(299,722)
Cash payments from income tax		(195,936)	(326,411)
Cash payments from taxes		(178,398)	(156,772)
Cash payments from interest		(82,923)	(102,836)
Other charges (payments), net		6,501	9,094
Net cash flows from operating activities		690,703	294,390
Cash flows from investing activities			
Acquisition of mining concessions and property, plant and equipment	*11(b)*	(347,262)	(213,687)
Acquisition of intangible assets	*13*	(165)	(1,505)
Acquisition of financial investments		(2,437)	(4,198)
Net cash flows used in investing activities		(349,864)	(219,390)
Cash flows from financing activities			
Access to bank loans	*32*	1,472,147	1,675,028
Cash payments from bank loans	*32*	(1,597,539)	(1,476,377)
Cash payments for lease liabilities		(2,256)	-
Cash payments from dividends	*18.C*	(196,525)	(301,393)
Net cash flows used in financing activities		(324,173)	(102,742)
Net increase (decrease) in cash and cash equivalents		16,666	(27,742)
Exchange difference		1,197	25
Opening balance		32,991	60,708
Closing balance		50,854	32,991
Non-cash transactions			
Transfer of replacement parts and spare parts to mining concessions and property, plant and equipment	*10(c) & 11*	5,749	36,667
Trigger of interest eligible for capitalization	*11(d)*	9,783	6,077

The accompanying notes on pages 6 to 55 are an integral part of these financial statements.

1. Background and Economic Activity

UNACEM Perú S.A. (hereinafter the "Company") was incorporated on September 30, 2021. On January 1, 2022, the Company received assets and liabilities related to its economic activity. They were provided through a simple restructuring of UNACEM Corp. S.A.A. (hereinafter "the Parent").

As of December 31, 2024 and 2023, the Company is a subsidiary of UNACEM Corp. S.A.A. It holds 100% of the direct shares of its share capital. The Parent has power to govern the financial and operating policies of the Company.

The Company's legal domicile is located at Av. Atocongo 2440, Villa María del Triunfo, Lima, Peru.

It is mainly engaged in the production and sale of cement in Peru and clinker for purposes of export. Accordingly, the Company has two plants located in the Departments of Lima and Junín with an annual production capacity of 6.7 million tons of clinker and 8.3 million tons of cement.

Approval of the financial statements

The financial statements as of December 31, 2024 have been issued with management approval on January 16, 2025, and will be presented to the Board of Directors and General Stockholders' Meeting, which will be held within the terms established by law, for corresponding approval. In management's opinion, the financial statements will be approved with no modification to the financial statements.

The General Shareholders' Meeting, held on March 27, 2024, approved the financial statements as of December 31, 2023.

2. Basis of Preparation of the Financial Statements

A. Basis of accounting

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), effective as of December 31, 2024 and 2023.

The Company's accounting policies are disclosed in note 3.

The Company adopted the new standards effective as of January 1, 2024 (note 5).

B. Information responsibility

The information contained in these financial statements is the responsibility of the Company's management that expressly states that all the principles and criteria, included in IFRSs and issued by IASB, have been applied.

C. Basis of measurement

The financial statements have been prepared on a historical cost basis, excluding hedging instruments that are measured at fair value, from the accounting records held by the Company.

D. Functional and presentation currency

The financial statements are presented in soles (S/), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3. Material Accounting Policies

The Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments) effective as of January 1, 2023. Although the amendments had no significant effect on the accounting policies, those affected the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material" accounting policies, rather than "significant". Likewise, the amendments provide recommendations on the importance regarding the disclosure of accounting policies. Thus, entities can provide useful and specific information on accounting policies that users need to understand other information in the financial statements. Management has reviewed the accounting policies and has updated the disclosures in this note according to the amendments. Material accounting policies used by management on these financial statements are as follows:

A. Cash and cash equivalents

Cash and cash equivalents presented in the statement of financial position comprise cash in hand, checking accounts and time deposits. In preparing the statement of cash flows, cash and cash equivalents include cash and short-term deposits that have original maturities of less than 3 months.

B. Financial instruments

Initial recognition and measurement
A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability, or equity instrument in another.

- *Financial assets*

Initial recognition and measurement
After initial recognition, the Company classifies financial assets into measurement categories: at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The Company classifies financial assets as subsequently measured at amortized cost, FVOCI or FVTPL on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company shall measure trade accounts receivable at fair value plus their transaction price if those do not contain a significant financing component, or when the Company applies the practical expedient. The Company measures accounts receivable at their transaction price if they do not contain a significant financing component or for which the Company has not applied the practical expedient, in accordance with IFRS 15.

A financial asset is measured at amortized cost or FVOCI if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company determines whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding at an individual instrument level.

The Company's business model refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

As of December 31, 2024 and 2023, the Company has financial assets measured at amortized cost.

Subsequent measurement
For the purposes of subsequent measurement, financial assets are classified into the following four categories:

- Financial assets measured at amortized cost (debt instruments);
- Financial assets measured at FVOCI (debt instruments)—the Company may transfer the cumulative gain or loss within equity;
- Financial assets measured at FVOCI that are not transferred to profit and loss when derecognized (equity instruments)—when the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss; and
- Financial assets measured at FVTPL.

The classification is made on the basis of the Company's business model and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost
A financial asset is measured at amortized cost if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

The Company classifies financial assets as subsequently measured at amortized cost using the effective interest method. The Company applies the impairment requirements to financial assets that are measured at amortized cost. Gains and losses are recognized in the statement of comprehensive income when the asset is derecognized, modified or impaired.

When, and only when, the Company changes its business model for managing financial assets, it shall reclassify all affected financial assets.

The Company's financial assets measured at amortized cost comprise cash and cash equivalents and trade and other accounts receivable.

Derecognition
A financial asset or, when applicable, part of a financial asset or part of a group of similar financial assets is derecognized when:

- The contractual rights to receive the cash flows from the financial asset expire; or
- The Company transfers the contractual rights to receive the cash flows from the financial asset, or assumes a contractual obligation to pay the cash flows to a third party in a pass through arrangement; and (a) the Company transfers substantially all risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all risks and rewards of ownership of the financial asset, but transfers control of the financial asset.

When the Company transfers a financial asset, it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case: if the Company has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. Accordingly, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

When the Company’s continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Company’s continuing involvement is the lower of the amount of the asset and the maximum amount of the consideration received that the Company could be required to repay.

Impairment of financial assets
The Company recognizes a loss allowance for debt instruments not measured at FVTPL. A credit loss is the present value of the difference between the contractual cash flows that are due to the Company under the contract and the cash flows that the Company expects to receive. The cash flows that are considered include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses (ECL) are recognized in two stages. At the reporting date, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs—i.e., the portion of lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date—if the credit risk on a financial instrument has not increased significantly since initial recognition. At the reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECLs—i.e., the ECLs that result from all possible default events over the expected life of a financial instrument—if the credit risk on that financial instrument has increased significantly since initial recognition.

The Company applies a simplified approach for trade accounts receivable when measuring ECLs. Therefore, the Company does not assess whether there are changes in credit risk. It measures the loss allowance for a financial instrument at an amount equal to the lifetime ECLs. The Company uses a provision matrix that is based on historical credit loss experience, adjusted to reflect information about borrower-specific factors and general economic conditions.

The Company considers it a financial asset to be in default when contractual payments are more than 365 days past due. However, the Company may consider a financial asset to be in default when internal or external information indicates that it is not probable that the Company will collect the amounts due before the Company enforces the collateral on the financial asset. The carrying amount of a financial asset is written-off if the Company has no reasonable prospects of recovering any further cash flows from the financial asset.

Financial liabilities

Initial recognition and measurement
At initial recognition, financial liabilities are classified as financial liabilities measured at FVTPL, loans, accounts payable, or derivatives designated as hedging instruments, as appropriate.

At initial recognition, the Company measures a financial liability at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities comprise trade accounts payable and other financial liabilities.

Subsequent measurement
The Company subsequently measures financial liabilities based on their classification, as follows:

Interest-bearing debts and loans
After initial recognition, interest-bearing debts and loans are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when liabilities are derecognized and accrued using the effective interest method.

Amortized cost is calculated taking into consideration any discounts or premiums on acquisition and fees and costs that are an integral part of the effective annual interest rate. Amortization according to the effective interest method is presented in 'financial expenses' in the statement of comprehensive income.

This category comprises trade and other accounts payable and other financial liabilities.

Derecognition
A financial liability is derecognized when its contractual obligations are discharged or canceled or expire. An exchange between an existing borrower and lender of debt instruments with substantially different terms is recognized as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is recognized as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount and the consideration paid is recognized in the statement of comprehensive income.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legally enforceable right to set off them, and management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Hedging instruments and hedge accounting
The Company uses derivatives—e.g., hedging instruments in cash flow hedges—to hedge its interest rate risk. At inception of the contract, a derivative is measured at its fair value and subsequently measured at its fair value. Derivatives are recognized as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For hedge accounting purposes, the hedging relationships are the following:

- Fair value hedge: a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability or a highly probable forecast transaction.
- Hedge of a net investment in a foreign operation.

A hedging relationship qualifies for hedge accounting if, at the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Company’s risk management objective and strategy for undertaking the hedge.

That documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements. The hedge is expected to be highly effective in achieving offsetting changes in the fair value or cash flows attributable to the hedged risk. The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

A hedging relationship qualifies for hedge accounting only if the hedging relationship meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;

- The effect of credit risk does not dominate the value changes that result from that economic relationship; and

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

As long as a cash flow hedge meets the qualifying criteria, the hedging relationship is recognized as follows:

Cash flow hedges
The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income, and the ineffective portion shall be recognized in profit or loss.

The Company designated certain derivatives as hedging instruments. Any gain or loss arising from changes in the fair value of derivatives is recognized in profit or loss, except for the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge and that is recognized in other comprehensive income. It is reclassified to profit or loss.

For cash flow hedges, the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Company discontinues hedge accounting for a cash flow hedge, it shall account for the amount that has been accumulated in the cash flow hedge reserve as follows: if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur; and if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment. After the discontinuation of hedge accounting, once the hedged future cash flows occur, the amount that remains in other comprehensive income shall be recognized considering the underlying transactions.

For hedge accounting purposes and as part of the reorganization process, the Company designated the three interest rate swaps entered into in the year 2018 as a cash flow hedge, two of which are effective as of December 31, 2024.

C. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company shall have access to the principal market or the most advantageous market at the measurement date.

When measuring fair value, the Company uses the assumptions that market participants would use when pricing the asset or the liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques appropriate for the measurement, for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

For assets and liabilities that are measured at fair value on a recurring basis, the Company determines whether transfers between levels of the fair value hierarchy have occurred by reviewing the categorization at the end of each reporting period.

Management sets out policies and procedures for recurring and non-recurring fair value measurements. At the end of each reporting period, management analyzes changes in the fair value of assets and liabilities, which shall be measured according to the Company's accounting policies.

For disclosure purposes, the Company determined appropriate classes of assets and liabilities on the basis of the nature, characteristics, risks; and the level of the fair value hierarchy within which the fair value measurement is categorized.

D. Current and non-current financial assets and financial liabilities

The Company's assets and liabilities are presented in the statement of financial position and classified as current and non-current.

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve months after the reporting period; or
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

E. Foreign currency transactions

Items included in the financial statements are stated in soles. Management considers the sol as its functional and presentation currency since it reflects the underlying transactions, events and conditions that are relevant to the Company.

Foreign currency transactions and balances

A foreign currency transaction is a transaction that is denominated or requires settlement in a foreign currency. A foreign currency transaction is recorded, at initial recognition in the functional currency, at the exchange rate ruling at the transaction date.

Foreign currency monetary items are retranslated into the functional currency at the exchange rate existing at the reporting date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated at initial recognition are recognized in 'exchange difference, net' in profit or loss in the period in which they arise.

Foreign currency non-monetary items are translated using the exchange rate existing at the transaction date.

F. Inventories

Inventories are measured at the lower cost or net realizable value. The costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are recognized as follows:

Raw materials and auxiliary materials, containers and packaging, and replacement parts and materials

The cost of inventories is determined using the weighted average cost method.

Finished goods
The cost comprises direct labor and material costs, other direct costs, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods, based on the normal capacity of the production facilities. It excludes financial expenses and exchange differences. Subsequently, the weighted average cost method is used.

Goods in transit
The goods are measured at specific acquisition cost.

Loss allowance
The Company periodically assesses if inventories have become wholly or partially obsolete based on criteria to determine the extent to which, or manner in which, the asset is used or is expected to be used. Accordingly, it recognizes an impairment loss on inventories, which affects profit or loss in the period that the impairment loss is identified. Management reviews on an annual basis such criteria to measure a loss allowance.

Net realizable value is the estimated selling price in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

G. Mining concessions and property, plant and equipment
An item of property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses. This cost comprises costs incurred to replace part of an item of property, plant and equipment and interests of financial expenses, provided that the recognition criteria are met.

If the Company recognizes in the carrying amount of an item of property, plant and equipment the cost of a replacement for part of the item, then it derecognizes the carrying amount of the replaced part regardless of whether the replaced part had been depreciated separately. When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.

All major inspection or overhaul costs are recognized in the statement of comprehensive income as incurred.

Mining concessions correspond to rights to explore areas of interest acquired in prior years. Mining concessions are measured at cost, less accumulated amortization and any impairment losses. They are recognized in 'mining concessions and property, plant and equipment' in the statement of financial position. Mining concessions are amortized using the straight-line method. If the Company abandons a concession, the related costs are recognized in the statement of profit or loss.

Work-in-progress includes projects in progress and is measured at cost. The cost comprises costs that are directly attributable to the acquisition, construction or production of a qualifying asset and other direct costs. Constructions in progress are not depreciated until the relevant assets are completed and operational.

Land is not depreciated. Depreciation is determined using the straight-line method over the asset's useful life. The following useful lives are used to calculate depreciation:

	Years
Mining concessions	10 – 100
Closure of quarries	11 – 38
Buildings and other constructions	10 – 50
Premises	3 – 10
Machinery and equipment and major replacement parts	7 – 25
Vehicles	5 – 10
Furniture and fixtures	6 – 10
Various equipment	4 – 10

The carrying amount of an item of property, plant and equipment and any significant part is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an asset (determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the statement of profit or loss.

Work-in-progress includes projects in progress and is measured at cost. The cost comprises costs that are directly attributable to the acquisition, construction or production of a qualifying asset and other direct costs. Work-in-progress is not depreciated until the asset is brought into use.

Land is measured at cost and has an indefinite useful life; therefore, it is not depreciated.

The residual value, useful life and depreciation method are reviewed and adjusted, as appropriate, at the end of each reporting period.

Mining concessions correspond to rights to explore areas of interest acquired in prior years. Mining concessions are measured at cost, less any accumulated amortization and any impairment losses. They are recognized in ‘mining concessions and property, plant and equipment’ in the statement of financial position. Mining concessions are amortized using the straight-line method. If the Company abandons a concession, the related costs are recognized in the statement of profit or loss.

H. Intangible assets

Goodwill
The Company recognizes goodwill at the acquisition date measured as the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is recognized in ‘intangible assets’ in the statement of financial position.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, which are measured at least every year in December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer's cash-generating units (CGU), or groups of CGUs, that is expected to benefit from the synergies of the combination.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation disposed of shall be measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

A CGU to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. If the carrying amount of the unit exceeds the recoverable amount of the unit, the Company shall recognize the impairment loss. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

Software licenses
Computer software's are measured initially at cost. The cost comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Such costs are amortized over the useful life of the intangible asset (i.e., from 3 to 10 years).

Deferred stripping costs
The Company incurs waste removal costs (stripping costs) during the development and production phases of the open-pit mine. During the production phase, production stripping costs are incurred both in relation to usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. To the extent that the benefit from the stripping activity is realized in the form of inventory produced, the Company recognizes the costs of that stripping activity as production costs. To the extent the benefit is improved access to ore, the Company recognizes these costs as a stripping activity asset. Management uses significant judgment to distinguish development and production activities, as well as to distinguish between costs of the stripping activity asset and the inventory produced.

The Company initially measures the stripping activity asset at cost. The stripping activity asset shall be amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The identified component of ore body is the more accessible as a result of the stripping activity. Management uses significant judgment to identify the component of the ore body and determine the volume of waste extracted (e.g., tons) and the expected mineral content to be extracted.

The assessments are performed for each individual mining operation based on the information available in the quarry plan. A quarry plan and identification of the component of the ore body vary between quarries for different reasons. These include, but are not limited to, the type of product, the geological characteristics of the ore body, the geographical location and/or financial considerations.

The stripping activity asset shall be depreciated over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. After initial recognition, the stripping activity asset shall be carried at either its cost or its revalued amount less depreciation and impairment losses.

l. Reserve estimates
Reserves are estimates of the amount of product (ore) that can be economically and legally extracted from non-metallic mineral resources. The Company estimates its ore reserves and mineral resources based on information compiled by suitably qualified professionals relating to the geological data on the size, depth and shape of the ore body. This process may require complex and difficult geological judgments to interpret the data.
In order to estimate reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production costs, commodity prices and exchange rates.

Changes in the reserve estimates may affect the carrying amount of mining concessions and items of property, plant and equipment, provision for closure of quarries and depreciation and amortization charges.

J. Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset.

The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. An asset or a CGU is impaired when it carrying amount exceeds its recoverable amount. The Company shall reduce the carrying amount of the asset or CGU to its recoverable amount. Value in use of an asset or CGU is the expected future cash flows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. When determining fair value less costs of sale, the Company uses current market transactions that might be available. If such market transactions are not available, the Company uses a valuation technique that is appropriate in the circumstances.

Any impairment loss of inventories is recognized in the statement of profit or loss and other comprehensive income in 'expenses' to which the credit-impaired asset belongs.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company shall estimate the recoverable amount of that asset.

An impairment loss recognized in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss for an asset is recognized immediately in profit or loss and other comprehensive income, unless the asset is carried at revalued amount. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase.

K. Provisions

General provision
A provision is only recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When some or all of the expenses required to settle a provision is expected to be reimbursed by another party—e.g., under an insurance contract—, the reimbursement is recognized when, and only when, it is virtually certain that the reimbursement will be received. The reimbursement is treated as a separate asset.

In the statement of profit or loss and other comprehensive income, the expense relating to a provision is presented net of the amount recognized for a reimbursement. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenses expected to be required to settle the obligation. When discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as financial expenses in profit or loss.

Provision for the dismantling of plants and quarries
The Company recognizes a provision for the costs of legal or constructive obligations to clean up contaminated land or restore facilities in the period in which the obligation is incurred. A provision for dismantling quarries is measured at the amount that the Company would rationally pay to settle the obligation at the end of the reporting, using expected cash flows. The costs are recognized as an integral part of the cost of that asset. The discount rate shall be a pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the liability.

Accruals are recognized as an expense as incurred in 'financial expenses' in the statement of profit or loss and other comprehensive income. The dismantling costs are reviewed and adjusted, as appropriate, on an annual basis. Changes in the expected future costs or in the discount rate are added to or deducted from the cost of the asset.

Contingent assets and contingent liabilities
A contingent liability is recognized depending on whether some uncertain future events occur or when the amount of the obligation cannot be measured reliably. A contingent asset is not recognized in the financial statements, but it is disclosed where an inflow of economic benefits is probable. When the realization of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Employee benefits
The Company's short-term employee benefits include salaries, social security contributions, legal bonuses, performance bonuses and employees' profit sharing. These liabilities are monthly charged to the statement of comprehensive income on an accrual basis.

L. Revenue recognition

The Company's revenue corresponds to the sale of goods, which are transferred to customers at a point in time. The Company satisfies such performance obligation upon delivery of goods. The Company concluded that it acts as a principal in sales agreements because it controls the goods before those goods are transferred to the customer.

Sale of goods
The Company identifies the sale of goods as a performance obligation. Revenue is recognized when the Company transfers control of the goods to the customer—i.e., upon delivery.

IFRS 15 establishes a five-step model for the recognition of revenue from contracts with customers:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations; and
- recognize revenue when (or as) a performance obligation is satisfied.

IFRS 15 provides a clear rationale for the recognition of revenue by an entity and takes a principle-based approach to recognizing revenue.

The Company exports clinker, mainly to its related party in Chile by the CIF incoterm.

The Company does not have a contract that has multiple performance obligations; therefore, it is not required to allocate the transaction price to the performance obligations in the contract (e.g., warranties, customer loyalty programs).

M. Financial expenses

The Company capitalizes financial expenses that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

All other financial expenses are recognized in the statement of comprehensive income as incurred. Financial expenses are interest and other costs that an entity incurs in connection with the borrowing of funds.

N. Taxes

Current tax
Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the Tax Authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax liabilities (assets) are measured at the amount expected to be paid to (recovered from) the Tax Authorities (best estimate), if any, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax also comprises any tax arising from dividends.

Current tax that relates to items recognized directly in equity, is recognized outside profit or loss and other comprehensive income, directly in equity. Management assesses on an ongoing basis the income tax treatment used by the Company in its income tax filings regarding situations in which the applicable tax laws are subject to interpretation. The Company recognizes a provision, as appropriate.

Deferred income tax
Deferred income tax assets and liabilities are recognized for all (deductible and taxable) temporary differences—i.e., differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets and liabilities may change even though there is no change in the amount of the related temporary differences. This can result from a change in tax rates or tax laws. The resulting deferred tax is recognized in profit or loss, except to the extent that it relates to items previously recognized outside profit or loss.

A deferred tax asset and liability is measured without considering the period in which the temporary differences are expected to reverse. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. At the end of each reporting period, the Company assesses the unrecognized deferred tax assets, and recognized deferred tax assets. The Company measures deferred tax assets and liabilities at the tax rate applicable to undistributed profits. The Company recognize the income tax consequences of dividends when it recognizes a liability to pay a dividend.

The Company shall offset deferred tax assets and liabilities if it has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and liabilities relate to income taxes levied by the same Tax Authorities.

Uncertainty over income tax treatments
The acceptability of a particular tax treatment under tax law may not be known until the relevant Tax Authorities or a court takes a decision in the future. Consequently, a dispute or examination of a particular tax treatment by the Tax Authorities may affect an entity's accounting for a current or deferred tax asset or liability.

If an entity concludes it is probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax returns.

If an entity concludes it is not probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty.

If an uncertain tax treatment affects current and deferred tax, an entity shall make consistent judgments and estimates for both current and deferred tax.

An entity shall reassess a judgment or estimate if the facts and circumstances on which the judgment or estimate was based change or as a result of new information that affects the judgment or estimate. An entity shall reflect the effect of a change in the facts and circumstances or of new information as a change in the accounting estimate.

As of December 31, 2024 and 2023, the Company did not identify uncertain tax treatments that would result in the recognition of provisions in the financial statements.

Mining royalties
In accordance with Law 28258, amended by Law 29788, mining royalty payments are the higher of a percentage of operating profit or 1% of profits. If a mining royalty is calculated as a percentage of operating profit, marginal tax rates ranging from 1% to 12% are applicable. Such rates increase gradually for entities with higher operating margins. Mining royalties are recognized under IAS 12 *Income Taxes*, since they meet the requirements of taxes. Royalty payments are required by the Peruvian government and are based on profits, net of expenses after adjustments for temporary differences, rather than on the amount produced or a percentage of profits. They are measured using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Consequently, royalty payments made by the Company to the Peruvian government are within the scope of IAS 12.

Sales tax
Revenue, expenses and assets are recognized net of the amount of sales tax, except when:

- sales tax incurred in the acquisition of goods or services is not recoverable from the Tax Authorities, in which case, it is recognized as part of costs of purchase of the asset or as part of 'expenses,' as appropriate; and
- accounts receivable and payable are stated with the amount of sales tax included.

The net amount of sales tax expected to be recovered from or paid to the Tax Authorities is presented in 'other accounts receivable' or 'other accounts payable' in the statement of financial position.

O. Operating income
Operating income is the income generated by the Company's main revenue-producing operations, as well as other income and expenses related to operating activities. Net financial expenses and income tax are not included.

4. Significant Accounting Judgments, Estimates and Assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions related to determining the reported amounts of assets and liabilities, exposure of contingent assets and contingent liabilities at the reporting date, and the reported amounts income and expenses for the years ended December 31, 2024 and 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Significant estimates and judgments related to the financial statements comprise the following:

- Estimated useful life and impairment of concessions and property, plant and equipment.
- Estimated useful life of stripping activity assets.
- Reserves estimates.
- Income tax.

In management's opinion, the estimates included in the financial statements were made based on the best understanding of relevant facts and circumstances at the reporting date. However, actual results may differ from these estimates.

5. New IFRSs or Amendments effective as of the Date of the Financial Statements

The following standards and amendments are applicable to annual periods beginning on or after January 1, 2024:

Amendments to IFRSs	Effective date
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024.
Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after January 1, 2024 (early adoption permitted) and amendments to IFRS 7 if the amendments to IAS 7 are applied.

The amendments did not have an effect on the Company's financial statements.

6. Standards Issued but not yet effective

The following standards are applicable to annual periods beginning on or after January 1, 2025, and have not been applied in preparing these financial statements. The Company does not plan to early adopt the applicable standards.

Amendments to IFRSs	**Effective date**
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after January 1, 2025.
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Annual periods beginning on or after January 1, 2026.
Annual Improvements to IFRS Accounting Standards – Volume 11	Annual periods beginning on or after January 1, 2026.

New IFRSs	**Effective date**
IFRS 18 *Presentation and Disclosure in Financial Instruments*	Annual periods beginning on or after January 1, 2027.
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	Annual periods beginning on or after January 1, 2027.

Management is assessing the impact of these standards and interpretations over the Company's financial statements.

Sustainability standards issued but not yet effective

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which have been issued by the International Sustainability Standards Board (ISSB), are applicable to annual periods beginning on or after January 1, 2024. Early adoption is permitted as long as IFRS S2 is also applied. These standards are subject to local adoption procedures in Peru for their entry in force.
The Company does not plan to early adopt the standards.

7. Foreign Currency Transactions

Foreign currency transactions are entered into at the free-market exchange rates published by the Banking, Insurance and Private Pension Plan Agency (Superintendencia de Banca, Seguros y AFP – SBS). As of December 31, 2024, the weighted average of free-market exchange rates used in transactions in soles were S/ 3.758 (buy rate) and S/ 3.770 (sell rate) (2023: S/3.705 and S/ 3.713, respectively).

As of December 31, 2024 and 2023, the Company has the following foreign currency transactions (in U.S. dollars):

In thousands of U.S. dollars	2024	2023
Assets		
Cash and cash equivalents	566	1,864
Financial instruments and derivatives	155	679
Trade and other accounts receivable	55,683	42,581
	56,404	45,124

Liabilities		

In thousands of U.S. dollars	2024	2023
Trade and other accounts payable	(2,396)	(5,973)
Other financial liabilities	(69,500)	(85,500)
	(71,896)	(91,473)
Net liability position	(15,492)	(46,349)

The Company manages the exchange rate risk by monitoring and controlling the amounts of the currencies other than functional currency that are exposed to changes in the exchange rates.

As of December 31, 2024 and 2023, the Company does not have foreign currency transactions using hedging instruments. Any devaluation or revaluation of foreign currency affects the statement of profit or loss.

8. Cash and Cash Equivalents

This caption comprises the following:

In thousands of soles	2024	2023
Fixed funds	13	19
Checking accounts (a)	24,966	21,648
Time deposits (b)	25,875	11,324
	50,854	32,991

(a) It corresponds to checking accounts stated in local and foreign currency and deposited at local banks with a high credit rating. They have free withdrawal option and accrue interest at market rates.

(b) It corresponds to time deposits held in local financial institutions and stated in local and foreign currency. They accrue interest at market rates and have original maturities of less than three months.

Impairment loss on cash and cash equivalents was measured at an amount equal to 12-month ECLs and reflects the short-term maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external ratings of the borrowers.

9. Trade and Other Accounts Receivable

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Trade accounts receivable			
Trade accounts receivable (a)		61,736	82,063
Related parties			
Accounts receivable	*27 (c)*	294,287	242,659
Others			
VAT tax credit		4,283	11,349
Advances to suppliers (b)		28,703	25,880
Third-party claims		3,200	2,413
Loans to employees		1,222	1,065
Hedging financial instruments	*30 A.i*	416	1,762
Other accounts receivable		8,581	6,482
		402,428	373,673
Less: Estimated Credit Loss(c)		(328)	(315)
Total		402,100	373,358
Less: Current portion		316,945	372,095
Non-current portion		85,155	1,263

(a) Trade accounts receivables are stated in soles, have current maturity, do not accrue interest and do not have specific collaterals.

(b) As of December 31, 2024 and 2023, it corresponds to advance payments made to suppliers for the acquisition of supplies, as well as the rendering of various services. They are paid in the short and long term.

(c) In 2024 and 2023, movement in the loss allowance for trade and other accounts receivable is as follows:

In thousands of soles	*Note*	2024	2023
Opening balance		315	1,592
Recovery	24	-	(1,592)
Provisions	21	13	315
Closing balance		**328**	**315**

As of December 31, 2024 and 2023, in management's opinion, accounts receivable are not exposed to non-performance risk, except for provision for accounts receivable. The Company's major customers have a good credit rating and are not experiencing financial difficulties. They were subject to credit risk assessments at the reporting date.

In management's opinion, the loss allowance and the specific provision for trade and other accounts receivable adequately hedges the non-performance risk as of December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the aging of trade and other accounts receivable is as follows:

	2024		
In thousands of soles	Not impaired	Impaired	Total
Neither past due nor impaired	386,910	-	386,910
Less than 30 days	3,637	-	3,637
30–90 days	658	-	658
91–180 days	2,297	-	2,297
More than 180 days	8,598	328	8,926
	402,100	**328**	**402,428**

	2023		
In thousands of soles	Not impaired	Impaired	Total
Neither past due nor impaired	333,110	-	333,110
Less than 30 days	10,282	-	10,282
30–90 days	200	-	200
91–180 days	26,264	-	26,264
More than 180 days	3,502	315	3,817
	373,358	**315**	**373,673**

10. Inventories

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Finished goods	*20*	23,626	26,251
In process products (a)	*20*	224,267	219,429
Raw and auxiliary materials (b)		125,701	121,660
Containers and packaging		20,952	29,118
Spare parts and supplies (c)		200,791	206,139
		595,337	602,597
Estimate for inventory obsolescence (d)		(28,557)	(16,467)
		566,780	586,130

(a) It corresponds to coal, pozzolana, gypsum, clay, clinker in production and limestone extracted from the Company's quarries. According to management, they will be used in the production phase in the short term.

(b) It corresponds to imported and local coal and plaster.

(c) It corresponds to replacement parts and supplies that will be used by the Company in the short term. The replacement parts that the Company expects to use in a period greater than one year are presented in 'machinery and equipment and major replacement parts' in 'mining concessions and property, plant and equipment.'

(d) In 2024 and 2023, movement in the provision for inventory obsolescence is as follows:

In thousands of soles	*Note*	2024	2023
Opening balance		16,467	15,363
Provisions	*20*	12,090	1,104
Closing balance		28,557	16,467

In management's opinion, the provision for inventory obsolescence adequately hedges the obsolescence risk as of December 31, 2024 and 2023.

11. Mining Concessions and Property, Plant and Equipment

This caption comprises the following:

In thousands of soles	Mining concessions (a)	Land	Closure of quarries and plant	Buildings and other constructions	Premises	Machinery and equipment and major replacement parts	Vehicles	Furniture and fixtures	Various equipment	Work-in-progress (e)	Total
Costs											
As of January 1, 2023	73,655	596,830	17,784	1,205,477	118,083	3,577,120	33,660	18,321	78,221	323,959	6,043,110
Additions (b)	-	-	1,256	-	-	37,999	-	1	174	217,001	256,431
Transfers (b)	-	-	-	58,045	2,598	38,201	-	325	9,962	(109,131)	-
Disposals and sales	-	-	-	-	-	-	(1,677)	-	-	-	(1,677)
Closure of quarries	-	-	164	-	-	-	-	-	-	-	164
As of December 31, 2023	73,655	596,830	19,204	1,263,522	120,681	3,653,320	31,983	18,647	88,357	431,829	6,298,028
Additions (b)	-	-	222	-	-	5,749	-	-	-	356,823	362,794
Transfers (b)	-	-	-	(4,353)	9,365	109,096	578	280	7,120	(122,086)	-
Reclassification	-	-	(2,017)	-	-	-	-	-	-	(767)	(2,784)
Disposals and sales	-	-	-	-	-	(200)	(1,617)	-	(195)	(5,314)	(7,326)
Closure of quarries	-	-	(4,509)	-	-	-	-	-	-	-	(4,509)
As of December 31, 2024	73,655	596,830	12,900	1,259,169	130,046	3,767,965	30,944	18,927	95,282	660,485	6,646,203
Accumulated depreciation											
As of January 1, 2023	14,775	-	11,447	446,512	83,628	1,709,970	27,695	17,641	65,705	-	2,377,373
Depreciation (c)	29	-	118	46,595	6,184	159,549	2,209	126	2,980	-	217,790
Disposals and sales	-	-	(4,285)	-	-	-	(1,492)	-	-	-	(5,777)
As of December 31, 2023	14,804	-	7,280	493,107	89,812	1,869,519	28,412	17,767	68,685	-	2,589,386
Depreciation (c)	30	-	354	46,810	6,191	157,509	1,562	158	3,976	-	216,590
Disposals and others	-	-	(3,343)	(315)	-	200	(1,577)	-	(28)	-	(5,063)
As of December 31, 2024	14,834	-	4,291	539,602	96,003	2,027,228	28,397	17,925	72,633	-	2,800,913
Net carrying amount	58,880	596,830	6,337	758,965	34,455	1,867,150	5,965	680	12,516	323,959	3,665,737
As of December 31, 2024	58,821	596,830	8,609	719,567	34,043	1,740,737	2,547	1,002	22,649	660,485	3,845,290
As of December 31, 2023	58,851	596,830	11,924	770,415	30,869	1,783,801	3,571	880	19,672	431,829	3,708,642

(a) It corresponds to the concessions of the Atocongo, Pucará, Condorcocha and El Silencio 8 quarries.

(b) In 2024, additions correspond to expenses for the projects of dedusting system of the cooler in kiln 3 in the Condorcocha plant. Likewise, the roofing of clinker yards are ongoing on both plants: Atocongo, Condorcocha and the expansion of the packaging and dispatch capacity of goods in Atocongo amount to S/ 179,135,000.

In 2023, additions correspond to expenses for the projects of dedusting system of the cooler in kiln 3 in the Condorcocha plant. Also, the expansion of the packaging and dispatch capacity of goods in both plants is on process: Atocongo and Condorcocha; the projects amount to S/ 103,855,000.

In 2024, the Company finished the works related to the water installations of the fire system; reinforcement and modification of chamber 2 of the multi silo in the Atocongo plant; and the dedusting system of the cooler in kiln 2 in the Condorcocha plant. These works amount to S/ 41,514,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'

In 2023, the Company completed the projects related to the expansion of the packaging and dispatch capacity, called New Embossing N°6', and palletizers in the Condorcocha plant for S/ 47,045,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'

(c) In 2024 and 2023, depreciation charge was allocated as follows:

In thousands of soles	*Note*	2024	2023
Cost of sales	*20*	211,012	212,030
Administrative expenses	*21*	3,938	3,775
Sales expenses	*22*	202	281
Other expenses	*24*	1,438	1,704
		216,590	**217,790**

(d) In 2024, interest was capitalized for S/ 9,783,000 (2023: S/ 6,077,000). The amount of financial expensess eligible for capitalization shall be determined by applying a capitalization rate to the outlays on that asset. As of December 31, 2024, the rate used to determine the amount of financial expensess eligible for capitalization was 4.38% (2023: 4.33%).

(e) Work-in-progress comprises the following:

In thousands of soles	2024	2023
Buildings and other constructions	235,634	118,922
Machinery and equipment	424,851	312,907
	660,485	**431,829**

(f) In management's opinion, there are no events that could have an effect on the revenue forecast in the remaining useful life of fixed assets. As of December 31, 2024 and 2023, there is no indication that an asset may be impaired. Therefore, the Company is not required to recognize a loss allowance.

(g) As of December 31, 2024 and 2023, the Company does not have contractual commitments for the acquisition of property, plant, and equipment, onerous contracts with suppliers, or restrictions on transfer or other restrictions that exist during the vesting period.

12. Deferred asset related to stripping

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Costs			
As of January 1		164,912	164,912
As of December 31		164,912	164,912
Accumulated depreciation			
As of January 1		72,701	69,051
Additions	*20*	3,229	3,650
As of December 31		75,930	72,701
Net assets		88,982	92,211

As of December 31, 2024 and 2023, the Company has three identified components (quarries): Atocongo, Atocongo Norte and Pucará. These quarries have a specific volume of limestone and waste.

13. Intangible Assets

This caption comprises the following:

In thousands of soles	Goodwill (a)	Software	Environmental protection program	Exploration expenses	Others	Total
Costs						
As of January 1, 2023	9,746	953	17,071	1,149	19,845	48,764
Additions	-	1,505	-	-	-	1,505
As of December 31, 2023	9,746	2,458	17,071	1,149	19,845	50,269
Additions	-	-	-	165	-	165
Reclassification	-	767	-	-	-	767
As of December 31, 2024	9,746	3,225	17,071	1,314	19,846	51,201
Accumulated depreciation						
As of January 1, 2023	-	528	17,071	1,149	16,983	35,731
Amortization (b)	-	87	-	-	152	239
As of December 31, 2023	-	615	17,071	1,149	17,135	35,970
Amortization (b)	-	87	-	165	13	265
As of December 31, 2024	9,746	702	17,701	1,314	17,148	36,235
Net carrying amount						
As of December 31, 2024	9,746	2,523	-	-	2,698	14,966
As of December 31, 2023	9,746	1,843	-	-	2,710	14,299

(a) In 2003, the purchase of all the shares of Lar Carbón S.A. became effective. The purchase was recognized using the acquisition method. Accordingly, adjustments to the financial statements of UNACEM Corp. S.A.A. Were made to reflect the assets and liabilities measured at acquisition-date fair value. As a result of such transaction, UNACEM Corp. S.A.A. recognized goodwill for S/ 9,745,000, which was transferred to the Company as part of the transfer by reorganization.

The recoverable amount of the coal grinding plant (CGU) was measured based on the value in use that uses cash flow projections on financial budgets prepared by management over a 5-year term. The Company did not identify any indication that the CGU may be impaired. In management's opinion, no reasonably possible change in a key assumption would cause the carrying amount of the CGU to exceed its recoverable amount as of December 31, 2024 and 2023.

(b) In 2024 and 2023, amortization charge was allocated as follows:

In thousands of soles	*Note*	2024	2023
Cost of sales	*20*	165	-
Administrative expenses	*21*	13	13
Sales expenses	*22*	-	139
Other expenses	*24*	87	87
		265	**239**

14. Trade and Other Accounts Payable

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Trade accounts payable (a)		260,291	207,599
Accounts payable to related parties	*27(c)*	67,016	55,392
Income tax payable		30,496	27,093
Interest payable	*15(b) & (e)*	19,276	8,988
Compensations and paid annual leave payable		13,125	13,284
Social security contributions payable		4,114	3,389
Key management personnel compensation payable		3,423	3,367
Other accounts payable		16,358	12,847
		414,099	**331,959**

(a) Trade accounts payable arise from the rendering of mining services and the acquisition of fuels and additives. They are stated in local and foreign currency, have current maturity, do not accrue interest and do not have specific collaterals.

15. Other Financial Liabilities

(a) As of December 31, 2024 and 2023, this caption comprises the following:

	2024		
In thousands of soles	Current portion	Non-current portion	Total
Bank Promissory notes (b)	974,650	-	974,650
Bank loans (c)	250,762	228,631	479,393
	1,225,412	**228,631**	**1,454,043**

	2023		
In thousands of soles	Current portion	Non-current portion	Total
Bank Promissory notes (b)	167,085	-	167,085
Bank loans (c)	299,265	1,107,997	1,407,262
	466,350	**1,107,997**	**1,574,347**

(b) It corresponds to working capital loans. They do not have specific collaterals and are renewed based on the Company's working capital requirements.

As of December 31, 2024 and 2023, it comprises the following:

In thousands of soles	Original currency	Maturity date	2024
Financial institution			
Banco Internacional del Perú S.A.A. - Interbank	PEN	June 2025	188,000
Banco de Crédito del Perú	PEN	June 2025	192,000
Banco de Crédito del Perú	USD	May 2025	169,650
Banco de Crédito del Perú	PEN	May 2025	170,000
Banco BBVA Perú	PEN	November 2025	100,000
Banco BBVA Perú	PEN	November 2025	155,000
			974,650

In thousands of soles	Original currency	Maturity date	2023
Financial institution			
Banco BBVA Perú	USD	November 2024	167,085
			167,085

As of December 31, 2024, interest payable for promissory notes amounted to S/ 14,681,000 (2023: S/ 1,098,000). It is recognized in 'trade and other accounts payable' in the statement of financial position, note 14.

As of December 31, 2024 and 2023, interest expense for promissory notes amounted to S/ 36,877,000 and S/ 46,914,000, respectively. It is recognized in 'financial expenses' in the statement of profit or loss, note 26.

(c) As of December 31, 2024 and 2023, bank loans, which do not have collaterals, are the following:

In thousands of soles	Maturity date	Original amount (000)	Currency	2024	2023
Bank loans					
Banco de Crédito del Perú	October 2026	385,900	PEN	65,658	376,369
Scotiabank Perú S.A.A.	March 2025 and January 2027	457,857	PEN	65,964	305,143
Banco Internacional del Perú S.A.A. - Interbank	January 2027	130,000	PEN	87,100	111,150
Banco BBVA Perú	January 2027	502,857	PEN	169,414	466,193
Citibank S.A. (c.1)	October 2025	50,000	USD	75,400	111,390
Bank of Nova Scotia S.A. (c.1)	September 2025	30,000	USD	16,965	38,987
				480,501	1,409,232
Amortized cost				(1,108)	(1,970)
Total				479,393	1,407,262

(c.1) The Company has swap contracts to reduce the risk of the variable interest rate related to these loans (note 30.A).

As of December 31, 2024, the Company has provided its guarantee for the bank loans received by UNACEM Corp. up to a limit of S/ 709,917,000 (2023: S/ 953,058,000).

(d) Management monitors covenants applicable to local financial liabilities on a quarterly basis. They are calculated based on: i) the Company's and ii) the Company and UNACEM Corp. S.A.A.'s quarterly financial statements.

As of December 31, 2024 and 2023, the main covenants with which the Company shall comply fluctuate according to the following ratios:

- Maintain a debt-to-equity ratio of less than 1.5.
- Maintain a debt-service coverage ratio of more than or equal to 1.2.
- Maintain a net debt-to-EBITDA ratio of less than 3.5.

In management's opinion, the Company complied with the required covenants as of December 31, 2024 and 2023.

(e) As of December 31, 2024, interest payable for medium and long-term debts amounted to S/ 4,595,000 (2023: S/ 7,890,000). It is recognized in 'trade and other accounts receivable' in the statement of financial position, note 14.

As of December 31, 2024 and 2023, interest expense for medium and long-term debts amounted to S/ 44,315,000 and S/ 38,622,000, respectively. It is recognized in 'financial expenses' in the statement of profit or loss, note 26.

(f) As of December 31, 2024, the Company had bank loans in local currency (soles) at effective annual interest rates ranging from 4.10% to 4.92% (2023: 4.10% to 7.65%).

As of December 31, 2024 and 2023, bank loans in foreign currency (U.S. dollars) are at a variable interest rate plus a margin. As of September 30, 2023, the Company and the financial institutions agreed to replace the variable rate for both loans: from 3-month LIBOR with a margin (ranging from 1.75% to 2.60%) to 3-month SOFR with a margin (ranging from 2.01% to 2.96%).

16. Provisions

This caption comprises the following:

	2024		2023	
In thousands of soles	Current portion	Non-current portion	Current portion	Non-current portion
Employees' profit sharing (a)	42,486	-	40,068	-
Severance payment	2,337	-	2,277	-
Provision for closure of quarries (b)	647	15,558	985	19,137
	45,470	**15,558**	**43,330**	**19,137**

(a) In 2024 and 2023, movement in the employees' profit sharing is as follows:

In thousands of soles	*Note*	2024	2023
Opening balance		**40,068**	**45,345**
Employees' profit sharing	*24*	75,893	69,461
Payments and advances		(73,475)	(74,738)
Closing balance		**42,486**	**40,068**

(b) As of December 31, 2024 and 2023, the Company has a provision for closure of quarries. The provision was measured on the basis of assessments performed by internal specialists using a discount rate. Management made reasonable assumptions about making estimates based on current conditions. These estimates are reviewed annually to take into account any changes in the assumptions. However, closure costs will ultimately depend on future market prices for the decommissioning works that will reflect market conditions at the relevant time. The timing of closure is likely to depend on when the mine ceases to produce at economically viable rates. As of December 31, 2024 and 2023, the plans for closure of operated quarries have been approved by the Ministry of Production.

As of December 31, 2024, the present value of the provision for closure of quarries amounts to S/ 46,935,000 (2023: S/ 49,697,000). The risk-adjusted discount rate used in measuring the provision ranges from 4.74% to 6.82% (2023: 4.91% to 6.59%), resulting in a liability for S/ 16,205,000 (2023: S/ 20,122,000). In management's opinion, this liability is sufficient to meet the applicable environmental laws approved by the Ministry of Energy and Mines (MINEM).

In 2024 and 2023, movement in the provision for closure of quarries is as follows:

In thousands of soles	2024	2023
Opening balance	20,122	27,464
Remeasurement of present value of cash flows	(3,917)	(7,342)
Closing balance	16,205	20,122

17. Deferred Income Tax Liabilities

This caption comprises the following:

In thousands of soles	As of January 1, 2023	Debit (credit) to statement of profit or loss	Debit (credit) to statement of comprehensive income	As of December 31, 2023	Debit (credit) to statement of profit or loss	Debit (credit) to statement of comprehensive income	As of December 31, 2024
Deferred assets							
Hedging financial instruments	(754)	(227)	235	(746)	177	397	(172)
Provision for inventory obsolescence	4,532	326	-	4,858	3,567	-	8,425
Provision for closure of quarries	6,536	(3,486)	-	3,050	(818)	-	2,232
Pre-operating expenses	6,848	-	-	6,848	455	-	7,303
Amortization of intangible assets	801	(216)	-	585	(188)	-	397
Depreciation of right-of-use assets	-	-	-	-	61	-	61
Other provisions	171	(1,148)	-	(977)	(2,005)	-	(2,982)
	18,134	(4,751)	235	13,618	1,249	397	15,264
Deferred liabilities							
Difference in tax base and depreciation of mining concessions and property, plant and equipment	(346,732)	21,168	-	(325,564)	20,297	-	(305,267)
Deferred asset related to stripping	(28,615)	1,077	-	(27,538)	953	-	(26,585)
Capitalized interest	(27,359)	(794)	-	(28,153)	(988)	-	(29,141)
Deferred commissions of financial obligations	(825)	297	-	(528)	216	-	(312)
	(403,531)	21,748	-	(381,783)	20,478	-	(361,305)
Deferred tax liabilities, net	(385,397)	16,997	235	(368,165)	21,727	397	(346,041)

18. Net Equity

A. Issued capital

As of December 31, 2024 and 2023, the subscribed and paid-in capital is represented by 2,156,485,445 ordinary shares at a face value of S/ 1 per share.

As of December 31, 2024 and 2023		
Stockholders	Number of shares	Interests (%)
UNACEM Corp. S.A.A.	2,156,485,444	100.00%
Digicem S.A. (former Transportes Lurín S.A.)	1	00.00%
	2,156,485,445	**100.00%**

B. Legal reserve

According to the Companies Act, the Company shall allocate not less than 10% of its profits distributed in each period, less income tax. This allocation is required until such reserve equals 20% of capital. The legal reserve may be used to offset losses or may be capitalized, but it shall be restored in both cases.

C. Dividend distribution

In 2024 and 2023, this caption comprises the following:

Dividends 2024

Date of Board of Directors' Meeting	*Note*	Dividends declared PEN (000)	Date of payment	Dividends per ordinary share
January 31, 2024 (a)		5,000	March 1, 2024	0.017
January 31, 2024 (a)		21,000	March 4, 2024	0.017
January 31, 2024 (a)		500	March 5, 2024	0.017
January 31, 2024 (a)		9,918	March 26, 2024	0.017
April 26, 2024 (a)		11,000	May 28, 2024	0.016
April 26, 2024 (a)		21,290	May 29, 2024	0.016
April 26, 2024 (a)		1,417	June 6, 2024	0.016
April 26, 2024 (a)		1,400	October 6, 2024	0.016
July 24, 2024 (a)		10,500	August 26, 2024	0.016
July 24, 2024 (a)		1,000	August 27, 2024	0.016
July 24, 2024 (a)		21,750	August 28, 2024	0.016
September 12, 2024 (a)		898	September 9, 2024	0.019
September 12, 2024 (a)		40,000	September 13, 2024	0.019
October 30, 2024 (a)		29,700	December 2, 2024	0.018
October 30, 2024 (a)		5,152	December 16, 2024	0.018
October 30, 2024 (a)		5,000	December 17, 2024	0.018
		185,525		

Dividends 2023

Date of Board of Directors' Meeting	*Note*	Dividends declared PEN (000)	Date of payment	Dividends per ordinary share
January 25, 2023 (a)		27,877	February 28, 2023	0.040
January 25, 2023 (a)		1,425	March 31, 2023	0.040
April 27, 2023 (a)		34,443	May 30, 2023	0.050
April 27, 2023 (a)		1,747	June 5, 2023	0.050
July 26, 2023 (a)		30,098	August 31, 2023	0.014
October 23, 2023 (a)		35,464	November 28, 2023	0.012
December 21, 2023 (a)		129,000	December 29, 2023	0.065
December 21, 2023	*28(c)*	11,000	January 18, 2024	0.065
		271,054		

(a) An amount of S/ 185,525,000 of the dividends declared in the year 2024 was paid in cash during that year.

An amount of S/ 260,054,000 of the dividends declared in the year 2023 was paid in cash during that year.

19. Revenue

A. Revenue streams

This caption comprises the following:

In thousands of soles	2024	2023
Sale of cement	2,527,347	2,521,545
Clinker export (a)	104,730	160,942
Sale of concrete blocks, paving blocks and pavement (b)	79,455	61,304
	2,711,532	**2,743,791**
Timing of transfer of goods		
Goods transferred at a point in time	2,711,532	2,743,791
	2,711,532	**2,743,791**

(a) It corresponds to clinker export, mainly to its related party UNACEM Chile S.A.

(b) It corresponds to sales made to the related party Unión de Concreteras S.A.

20. Cost of Sales

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Beginning inventory of finished goods and work-in-progress		245,680	187,459
Production costs			
Fuel		376,916	459,599
Depreciation	*11(c)*	211,012	212,030
Personnel expenses	*23a)*	211,581	194,133
Maintenance of property, plant and equipment		174,747	192,719
Use of raw materials		172,021	183,603
Electric power		116,848	132,070
Containers		85,697	103,356
Transportation of raw materials		55,647	75,450
Depreciation of deferred assets related to stripping	*12*	3,229	3,650
Depreciation of right-of-use assets		832	-
Amortization	*13(b)*	165	-
Other production costs		284,586	308,127
Ending inventory of finished goods and work-in-progress	*10*	(247,893)	(245,680)
		1,691,068	1,806,516
Provision for inventory obsolescence	*10(d)*	12,090	1,104
		1,703,158	1,807,620

21. Administrative Expenses

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Personnel expenses	*23(a)*	93,604	85,822
Donations		30,922	28,477
Third-party services		23,460	19,928
Taxes		9,079	9,301
Depreciation	*11(c)*	3,938	3,775
Depreciation of right-of-use assets		501	-
Amortization	*13(b)*	13	13
Loss allowance	*9(c)*	13	315
Others		10,584	5,440
		172,114	153,071

22. Sales Expenses

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Advertising costs (a)		41,607	39,167
Personnel expenses	*24(a)*	11,202	10,763
Depreciation	*11(c)*	202	281
Amortization	*13(b)*	-	139
Others		3,763	3,665
		56,774	54,015

(a) It corresponds to advertising services on radio, television and other media to boost sales.

23. Personnel Expenses

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Compensations		127,465	122,196
Employees' profit sharing	*17(a)*	75,893	69,461
Bonuses		34,101	29,035
Legal bonuses		19,956	18,627
Social security contributions		15,154	13,990
Health care		14,537	14,887
Severance payment		13,263	12,283
Paid annual leave		12,688	12,355
Fees and expense allowance for Board of Directors		6,724	6,323
Travel and meal expenses		1,122	1,298
Others		14	13
		320,917	300,468

(a) Personnel expenses are allocated as follows:

In thousands of soles	*Note*	2024	2023
Cost of sales	*20*	211,581	194,133
Administrative expenses	*21*	93,604	85,822
Sales expenses	*22*	11,202	10,763
Other expenses	*24*	4,530	9,750
		320,917	300,468

In 2024, the average number of employees was 895 (2023: 874 employees).

24. Other Income and Expenses

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Other income			
Service revenue		8,020	5,674
Rental income		2,295	1,782
Recovery of provision for doubtful accounts	*9(c)*	-	1,592
Other income		12,795	16,126
		23,110	25,174
Other expenses			
Royalties to related parties	*27(a)*	112,742	112,491
Personnel expenses	*23(a)*	4,530	9,750
Depreciation	*11(c)*	1,438	1,704
Amortization	*13(b)*	87	87
Expenses for ECLs	*9(c)*	-	315
Other expenses		9,472	1,117
		128,269	125,464
		105,159	100,290

25. Financial Income

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Gain on hedging financial instruments, net	*30.A.i*	1,832	2,693
Interest on deposits		1,698	2,492
Interest on bank loans		42	5,657
Others		243	56
		3,815	10,898

26. Financial expenses

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Interest on long-term debts	*15(e)*	44,315	38,622
Interest on bank loans and promissory notes	*15(b)*	36,877	46,914
Others		1,748	2,298
		82,940	87,834
Structuring fee for other financial liabilities		861	1,231
		861	1,231
Interest on hedging instruments	*30.A.i*	-	5
Remeasurement of fair value of the closure of quarries		1,033	1,180
		1,033	1,185
		84,834	90,250

27. Related Party Transactions

(a) In 2024 and 2023, the related party transactions are as follows:

In thousands of soles	2024	2023
Revenue		
Revenue from sale of cement		
La Viga S.A.	537,554	534,462
Unión de Concreteras S.A. (*)	308,143	275,180
Prefabricados Andinos Perú S.A.C.	1,233	1,026
Asociación UNACEM	843	429
Revenue from sale of concrete blocks, paving blocks and pavement		
Unión de Concreteras S.A. (*)	76,323	57,989
Revenue from support and management services		
UNACEM Corp. S.A.A.	5,450	3,773
Compañía Eléctrica El Platanal S.A.	113	387
Digicem S.A.	656	238
Prefabricados Andinos Perú S.A.C.	607	607
Inversiones Nacionales y Multinacionales Andinas S.A.	382	213
UNACEM Chile S.A.	-	173
Others	686	553

In thousands of soles	2024	2023
Rental income – property, plant and equipment		
Depósito Aduanero Conchán S.A.	294	292
Prefabricados Andinos Perú S.A.C.	187	187
Unión de Concreteras S.A. (*)	185	228
ARPL Tecnología Industrial S.A.	59	64
UNACEM Corp. S.A.A.	-	18
Others	128	86
Revenue from sale of clinker		
UNACEM Chile S.A.	98,362	87,483
Drake Cement L.L.C.	3,132	3,314
Other income		
Calcem S.A.	1,418	-
Compañía Eléctrica El Platanal S.A.	170	1,574
UNACEM Corp. S.A.A.	37	5,704
Others	306	243
Acquisitions and expenses		
Dividends		
UNACEM Corp. S.A.A.	185,524	271,055
Trademark royalties (b)		
UNACEM Corp. S.A.A.	112,742	112,491
Purchase of energy		
Compañía Eléctrica El Platanal S.A.	92,974	104,352
Packaging services		
Unión de Concreteras S.A. (*)	18,428	18,437
Fees and import duties for sale of cement		
La Viga S.A.	31,680	36,490
Surveillance services		
Vigilancia Andina S.A.	22,119	21,787
Donations		
Asociación UNACEM	26,488	25,064
Technical support services		
ARPL Tecnología Industrial S.A.	25,082	26,071
Purchase of auxiliary materials		
UNACEM Corp. S.A.A.	-	4,540
Unión de Concreteras S.A. (*)	8,652	6,746
Engineering and project management services		
ARPL Tecnología Industrial S.A.	18,451	18,182
Precast products		
Prefabricados Andinos Perú S.A.C.	-	5,536
Thermal power plant operation services		
Generación Eléctrica Atocongo S.A.	4,140	3,782
Hydroelectric power plant operation services		
Compañía Eléctrica El Platanal S.A.	4,109	3,393
Warehouse management services		
Depósito Aduanero Conchán S.A.	3,605	3,694
Refund of expenses		
Unión de Concreteras S.A. (*)	7,854	8,467
UNACEM Corp. S.A.A.	2,551	6,308
ARPL Tecnología Industrial S.A.	3,050	755
Others		
UNACEM Corp. S.A.A.	3,108	13
Compañía Eléctrica El Platanal S.A.	1,170	2,081
Inversiones Nacionales y Multinacionales Andinas S.A.	1,846	1,198
Unión de Concreteras S.A. (*)	651	221
Drake Cement L.L.C.	177	236
Prefabricados Andinos Perú S.A.C.	184	24
Digicem S.A.	-	115
Compañía de Inversiones Santa Cruz S.A.	-	10
Junta de propietarios Edificio Inversiones Nacionales y Multinacionales Andinas S.A.	254	-

(b) It corresponds to 4.5% of sales of cement without fees invoiced monthly by UNACEM Corp. S.A.A.

(c) As of December 31, 2024 and 2023, as a result of these and other transactions, the Company has the following related party balances:

In thousands of soles	*Note*	2024	2023
Accounts receivable			
UNACEM Chile S.A.		181,528	131,402
Unión de Concreteras S.A. (*)		69,236	76,173
La Viga S.A.		29,822	30,623
Minera UNA S.A. (**)		5,056	3,540
Drake Cement L.L.C.		3,665	533
UNACEM Corp. S.A.A.		2,717	-
Calcem S.A.		1,674	-
Prefabricados Andinos Perú S.A.C.		142	219
Compañía Eléctrica El Platanal S.A.		109	74
Others		338	95
Total accounts receivable	*9*	**294,287**	**242,659**
Term			
Current portion		212,910	242,659
Non-current portion		81,377	-
		294,287	**242,659**
Accounts payable			
UNACEM Corp. S.A.A.		28,425	19,677
ARPL Tecnología Industrial S.A.		13,679	12,974
Unión de Concreteras S.A. (*)		9,972	7,241
Compañía Eléctrica El Platanal S.A.		7,756	10,249
La Viga S.A.		3,723	3,576
Vigilancia Andina S.A.		2,325	217
Generación Eléctrica Atocongo S.A.		407	328
Depósito Aduanero Conchán S.A.		400	734
Drake Cement L.L.C.		257	39
Inversiones Nacionales y Multinacionales Andinas S.A.		72	34
Prefabricados Andinos Perú S.A.C.		-	317
Others		-	6
Total accounts payable	*14*	**67,016**	**55,392**

(*) The merger by absorption, under which Concremax S.A. was absorbed by Unión de Concreteras S.A., entered into force on January 1, 2024.

(**) The Company Minera Adelaida S.A. changed its name to Minera UNA S.A. on December 16, 2024.

The Company enters into related party transactions on terms equivalent to those that prevail in arm's length transactions; therefore, there is no difference in pricing policies or tax bases. Policies related to payment terms are not different from policies used in arm's length transactions.

As of December 31, 2024, the balance payable to UNACEM Corp. S.A.A. does not include dividends payable (2023: S/ 11,000,000) (note 18.c).

(d) As of December 31, 2024, the total key management personnel compensation amounted to S/ 33,647,000 (2023: S/ 28,487,000). It includes short-term employee benefits and severance payment.

28. Contingencies and Commitments

A. Financial commitments

As of December 31, 2024, the Company has the following financial commitments:

- A letter of guarantee on behalf of MINEM issued by Banco Internacional del Perú S.A.A. - Interbank to ensure the execution of the mine closure plan of its mining concessions for US$ 1,245,000, equivalent to S/ 4,692,000 (2023: US$ 1,203,000, equivalent to S/ 4,467,000). It matures in January 2025. The Company is currently carrying out necessary procedures to renew such letter of guarantee.

- A letter of guarantee issued by Banco Internacional del Perú S.A.A. - Interbank on behalf of the Ministry of Production to ensure the execution of the mine closure plan of its mining concessions for US$ 7,193,000, equivalent to S/ 27,116,000 (2023: US$ 6,551,000, equivalent to S/ 24,324,000). It matures in January and December 2025.

- Various letters of guarantee on behalf of the Tax Authorities (SUNAT) for S/ 69,513,000 and US$ 2,378,000, equivalent to S/ 8,965,000, to ensure the customs tax debt, maturing in January, June, July, August, September and December 2025.

- Various letters of guarantee on behalf of third parties for S/ 629,000, maturing in January, February, March, April and October 2025.

- A corporate guarantee granted jointly by UNACEM Corp, UNACEM Perú S.A., Desert Ready Mix and Desert Agregates on behalf of the related party Skanon Investments to the syndicate loan for the acquisition of Tehachapi Cement, for a total of US$ 345,000,000. It matures in October 2026.

- The Company is listed as guarantor in a short-term loan (Bridge Loan), on behalf of TRANSMICEM S.A.C. (a related party) for S/ 85,000,000 with BBVA Banco Continental at a rate of 5.10%. It matures on November 21, 2025.

B. Environmental commitments

The Company's activities are subject to the environmental regulations. Accordingly, it is required to comply with the following regulations:

(a) Industrial sector

Law 28611 "General Environmental Law" and Law 27446 "National Environmental Impact Assessment Law" regulate the environmental liabilities of all related-activities, including identification, prevention, supervision, control and early correction of the negative environmental impacts from investment projects.

In accordance with the laws, the Company submitted its environmental impact assessments, environmental impact statement and Environmental Adjustment and Management Program (PAMA, for its Spanish acronym) in relation to its business units.

The Company has an environmental impact assessment of the "Updating and Modification of the Environmental Management Tool of the Cement Plant," approved by the Ministry of Production in July 2020, for the Atocongo plant, and April 2018, for the Condorcocha plant. The environmental activities have been executed with an investment, made during 2024, of US$ 589,430 (2023: US$ 548,000) related to the implementation of the environmental management plan in the cement production phase. The assessment and the updating of the investment are performed annually.

(b) Mining and port sectors

The Company prepared environmental impact assessments (note 26.E(i)) related to its port and mining activities (non-metallic mineral resources). It has complied with its commitments within the established terms. As of December 31, 2024, the investment related to mining and port activities amount to US$ 235,482 (2023: US$ 290,000).

On October 14, 2003, the Congress of the Republic of Peru issued Law 28090, a law that regulates the mine closure plan. Such Law establishes the obligations and procedures that a holder of a mining concession shall meet for preparing, submitting, and implementing the mine closure plan as well as lodging the relevant environmental guarantees to ensure compliance with the investments subject to the principles of environmental protection, preservation and recovery. The Company submitted environmental impact assessments of mine closure plans to the Ministry of Production and MINEM within the term established by this Law. The assessments established the guarantee and the investment to be made in the future upon the progressive and final closures of mines. The provision for the closure of mines corresponds to the obligation to restore the site (quarries) and areas affected by exploitation activities.
The main activities correspond to mine clearance and reforestation.

As of December 31, 2024, the provision for closure of quarries amounts to S/ 16,205,000. It is presented in 'provisions' in the statement of financial position (note 16(b)). In management's opinion, this liability is sufficient to meet the applicable environmental laws approved by MINEM. The Company submitted its updated closure plan to the Ministry of Production. To date, all plans of Atocongo, Andino A, Andino B and Las Dunas Quarries Closure Plans have been approved, the others are under evaluation in accordance with the laws.

29. Tax Matters

A. The Company is subject to the Peruvian tax law. As of December 31, 2024 and 2023, the income tax rate is calculated on the basis of the net taxable profits determined by the Company at a rate of 29.5%.

The income tax rate applicable to dividend distribution and any other form of profit distribution amounts to 5%.

In 2024 and 2023, tax expense is as follows:

In thousands of soles	*Note*	2024	2023
Current tax		(201,495)	(184,419)
Deferred tax		21,727	16,997
Mining royalties	*29.F*	(4,140)	(4,901)
		(183,908)	**(172,323)**

In 2024 and 2023, the reconciliation of the effective tax rate was as follows:

In thousands of soles	2024		2023	
Profit before tax	**593,933**	**100.00%**	**560,805**	**100.00%**
Income tax as per tax rate	175,210	29.50%	165,437	29.50%
Tax effects of permanent accounts	4,558	0.77%	1,985	0.35%
Effects of mining royalties	4,140	0.70%	4,901	0.88%
Tax expense	**183,908**	**30.96%**	**172,323**	**30.73%**

The temporary tax rate is 0.4% for the years 2024 and 2023 and is applied to the amount of net assets exceeding S/ 1,000,000. It may be paid in cash or nine consecutive monthly installments. The paid amount may be used as a credit against income tax paid. In the event a remaining balance is not applied, its refund could be requested.

In 2024, the Company’s temporary tax rate was S/ 14,858,000 (2023: 14,049,000).

As of December 31, 2024 and 2023, in accordance with the Peruvian tax regime, the sale tax rate is 18%.

B. The Tax Authorities are entitled to audit and, if applicable, to correct the income tax calculated by the Company within the four years following the year of the tax return filing. The Company's income tax return for the years 2021 and 2023, which shall be presented for the year 2024, and monthly sales tax returns for the periods from December 2021 to December 2024 are open for review by the Tax Authorities.

Due to the possible interpretations of the applicable laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Company. Therefore, any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are determined. However, it is the opinion of management and its legal advisors that any possible additional settlement of taxes would not be significant for the financial statements as of December 31, 2024 and 2023.

C. In determining income tax, transfer pricing with related parties and entities domiciled in territories with low or zero taxation shall be supported with documents and information on the valuation techniques and the criteria used for the pricing.

Based on the business analysis, it is the opinion of management and its legal advisors that no significant contingencies will arise as of December 31, 2024 and 2023 from the application of the regulations of transfer pricing.

D. In accordance with IFRIC 23, the Company assessed its uncertain tax treatments and concluded, based on its assessment of tax compliance and transfer pricing, that it is probable that the Tax Authorities will accept its uncertain tax treatment. The Interpretation did not have an effect on the Company's financial statements as of December 31, 2024 and 2023.

E. The mining royalties paid to the Peruvian government for the year 2024 amounts to S/ 4,140,000 (2023: S/ 4,901,000) (note 29.A).

Payments of mining royalties are deductible for determining income tax of the year in which payments are made.

F. Main tax laws issued during 2024

Amendment of provisions of transfer pricing in the Income Tax Law
Legislative Decrees 1662 and 1663, published on September 24, 2024, present amendments in the Income Tax Law regarding the Advance Pricing Agreements (APAs) and the alternative valuation methods in transfer pricing. These amendments entered into force on January 1, 2025.

Legislative Decree 1662, published on September 24, 2024, established that APAs between the Tax Authorities (SUNAT) and taxpayers may have retroactive effects for previous tax periods. To be effective, events and circumstances of previous periods must be consistent with the terms of the APA, and the Tax Authority must not have prescribed the right to determine the income tax liability under the transfer pricing standards.

Likewise, Legislative Decree 1663, published on September 24, 2024, modifies the Income Tax Law to adjust the alternative valuation methods for situations where traditional transfer pricing methods are not applicable due to the nature of activities or transactions, or lack of reliable comparative transactions.

Amendments to invoice annotations and tax credit exercise
Legislative Decree 1669, published on September 28, 2024, modified the Sales Tax Law and Law 29215, focusing on the invoice annotation and tax credit exercise. Previously, taxpayers had 12 months to record the invoices that entitled them to tax credit. Under the new regulations, this period was reduced, establishing the following deadlines for invoice annotation:

- Electronic invoices: they must be registered in the Purchase Ledger during the month of issuance or payment of the corresponding tax.
- Paper invoices: they must be registered up to two months after the issuance or tax payment.
- Transactions under the Tax Liability Payment System (SPOT; for its Spanish acronym): they must be registered up to three months after the invoice issuance.

If the invoices are not noted within the established periods, they will not be entitled to its corresponding tax credit. However, the right to the tax credit will not be lost if it is noted before the Tax Authority requires the taxpayer to show and/or present its Purchase Ledger.

Such Legislative Decree will enter into force on the enactment date of the Superintendence Resolution. This Resolution will regulate, among other things, the means, form, requirements and/or conditions for taxpayers to confirm, rectify or complement the information provided by the Tax Authorities regarding the Sales and Revenue Journal and the Purchase Ledger.

30. Financial Risk Management
The Company is exposed to market, credit and liquidity risks.

The senior management is responsible for monitoring the management of such risks. Accordingly, it has the support of the Financial Management, which advises on financial risks and appropriate corporate governance framework for managing the Company's financial risks. The Financial Management provides assurance to the senior management that the financial risk-taking activities are regulated by appropriate corporate policies and procedures, and that the financial risks are identified, measured and managed in accordance with these policies and the Company’s preferences at the time of taking risks.

The Board of Directors reviews and agrees on the policies to manage each risk.

A. Market risk
Market risk is the risk of changes in the market prices. Market risk comprises interest rate risk, exchange rate risk, commodity price risk and other price risks. They affect the Company’s profit or loss or the fair value of the financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable parameters, while optimizing the return.

The sensitivity analyses disclosed in the following notes are related to the financial position as of December 31, 2024 and 2023.

The Company prepared sensitivity analyzes based on the assumption that the risk variables (net debt, fixed and variable interest rates of debts and hedging financial instruments, and financial instruments in foreign currency) are held constant as of December 31, 2024 and 2023.

i. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to interest rate risk mainly arises from long-term variable-rate debt instruments.

The Company minimizes this risk by using interest rate swaps (hedging instrument) to hedge the changes in the cash flows derived from changes in the interest rates.

The Company determines whether an economic relationship exists between the hedging instrument and the hedged item based on interest rate benchmark, term, expiration date and notional or nominal amount. The information of the Company's hedging financial instruments is disclosed below:

- *Hedging financial instruments*

As of December 31, 2024, the Company has two interest rate swaps designated as cash flow hedges and measured at fair value. Hedging instruments are as follows:

					Fair value (note 9)	
In thousands of soles	Benchmark amount USD (000)	Maturity date	Variable-rate:	Fixed-rate:	2024	2023
Borrower						
Assets						
Citibank N.A.	50,000	October 2025	3-month SOFR + 2.01%	5.730%	298	1,117
Bank of Nova Scotia S.A.	30,000	September 2025	3-month SOFR + 2.86%	5.695%	118	645
					416	1,762

The Company has financial instruments to minimize its exposure to the risk of changes in the interest rates of bank loans indicated in note 15(c).

The Company pays or receives in a 3-month period (at each payment date of loan interest) the difference between the LIBOR applicable to the loan in such period and the fixed rate agreed upon in the interest rate swaps. Cash flows effectively received from or paid by the Company are recognized as an adjustment to financial expenses of the period for hedged loans.

The Company designated these financial instruments as hedging instruments, since there is an economic relationship between the hedged item and the hedging instrument.

The effective portion of changes in the fair value of derivatives designated as hedging financial instruments is recognized in 'assets' or 'liabilities,' and the contra account is equity. As of December 31, 2024, the effects recognized in 'unrealized gains and losses' in the statement of comprehensive income amount to S/ 948,000 (2023: S/ 560,000), net of tax effects.

In 2024, the Company did not recognize expenses on hedging financial instruments (2023: S/ 5,000). The amount in 2023 was effectively paid during that period. They are presented in 'financial expenses' in the statement of profit or loss (note 26). Furthermore, in 2024, the Company recognized a net gain on hedging financial instruments for S/ 1,832,000 (2023: S/ 2,693,000).

Sensitivity to interest rates
The following table shows a sensitivity analysis to show the effect of reasonably possible changes in the interest rates of loans, after the effect of hedge accounting. The Company's profit before tax would be affected by the effect on variable rate loans, with all other risk variables held constant, as follows:

	Effects on profit before tax	
In thousands of soles	2024	2023
Increase or decrease in basis points		
-10%	(420)	(811)
+10%	420	811

The changes in the interest rates based on basis points is reasonably possible.

ii. Exchange rate risk
Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company is exposed to exchange rate risk from its operating activities (when income and expenses are stated in a currency other than its functional currency) and financing activities (loans in U.S. dollars).

Management monitors this risk through the analysis of macroeconomic factors. As of December 31, 2024, since management assumed the exchange rate risk, it did not enter into transactions using hedging instruments.

In 2024 and 2023, the foreign currency balances resulted in a net gain for S/ 625,000 (loss for S/ 68,236,000 and gain for S/ 68,861,000) and S/ 11,362,000 (loss for S/ 31,682,000 and gain for S/ 43,044,000), which are presented in 'exchange difference, net' in the statement of profit or loss. Note 7 to the financial statements discloses the Company's foreign exchange position.

Sensitivity to exchange rates
The following table shows a sensitivity analysis to show the effect of reasonably possible changes in the exchange rates (U.S. dollar). The Company's profit before tax would be affected by changes in the fair value of monetary items, with all other risk variables held constant, as follows:

	Profit or loss	
In thousands of soles	Devaluation	Revaluation
December 31, 2024		
US$ (5% movement)	3,200	(3,200)
US$ (10% movement)	6,401	(6,401)

	Profit or loss	
In thousands of soles	Devaluation	Revaluation
December 31, 2023		
US$ (5% movement)	8,622	(8,622)
US$ (10% movement)	17,245	(17,245)

B. Credit risk

Credit risk is the risk that a financial loss will be incurred if a borrower to a financial instrument or contract fails to meet its financial obligations. The Company is exposed to credit risk from its operating activities, including trade accounts receivable, as well as financing activities, including deposits at banks and financial institutions, foreign currency transactions and other financial instruments. The maximum exposure to credit risk for the items in the financial statements as of December 31, 2024 and 2023 is represented by the sum of items of cash and cash equivalents, trade and accounts receivable.

Financial instruments and bank deposits

The credit risk of cash at bank is controlled by management in accordance with the Company's policies. The borrower's credit limits are reviewed by management and the Board of Directors. The limits are established to minimize the concentration risk and, therefore, mitigate financial losses from the borrower potential failure to meet its obligations.

The Company only places its liquidity surplus in tier 1 financial institutions, establishes conservative credit policies and periodically evaluates conditions existing in the market where it operates.

Trade accounts receivable

The credit risk of customers is managed by management based on the Company's policies, procedures and control related to credit risk management. The Company assesses the credit rating of a customer based on a credit score and individual credit limits.

The Company's sales are made mainly to local customers. As of December 31, 2024, it has a portfolio of 42 customers (2023: 43 customers). As of December 31, 2024, the Company's five major customers represent approximately 64% of sales (2023: four major customers represent 63% of sales).

At the end of each reporting period, the Company uses a provision matrix to measure ECLs. The Company uses a provision matrix based on days past due for groupings showing significantly different loss patterns for different customer segments (i.e., geographical location, instrument type, collateral type, credit risk ratings, and the value of collateral relative to the financial asset). The Company shall measure ECLs in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The gross carrying amount of a trade account receivable is reduced if it is more than one year past due and is not subject to enforcement activities. At the reporting date, the maximum exposure to credit risk is the carrying amount of each type of financial asset disclosed in note 9 to the statement of financial position.

As of December 31, 2024, 31.8% of the Company's trade accounts receivable are covered by letters of guarantee, which are considered in the measurement of ECLs. As of December 31, 2023, 20% of the Company's trade accounts receivable are covered by letters of guarantee, which are considered in the measurement of ECLs.

Accounts receivable from related parties
As of December 31, 2024 and 2023, this caption corresponds to the sale of cement and clinker. The assessment of credit risk and impairment analysis are subject to the same policies and procedures of trade accounts receivable established by management. The Parent gave a comfort letter for the main accounts receivable from related parties.

Other accounts receivable
This caption corresponds to outstanding balances for items not related to the Company's main operating activities. As of December 31, 2024 and 2023, other accounts receivable correspond to advances to suppliers and debit balance in sales tax. Management periodically monitors the credit risk of such items and assesses debts evidencing an impairment in order to recognize the loss allowance.

C. Liquidity risk

The Company monitors liquidity risk using a liquidity-planning tool.

While as of December 31, 2024, the Company presented a negative working capital of S/ 760,549,000, it maintains access to credit lines in tier 1 local and international financial institutions, through which the Company will be renewing the maturity dates of its financial liabilities as they approach to their maturity date. Likewise, the Company constantly assesses the developments of rates to optimize its structure of cost and term.

The following tables summarize the maturity terms of the Company's financial liabilities based on the undiscounted payments under the contracts:

		2024				
In thousands of soles	*Note*	Carrying amount	Less than 12 months	2 – 3 years	4 – 8 years	Total
Trade and other accounts payable	*14*	414,099	414,099	-	-	414,099
Other financial liabilities						
Amortization of principal	*15*	1,454,043	1,225,412	228,631	-	1,454,043
Cash flows from cash payments from interest		-	49,839	7,832	-	57,671
Lease liability	*11*					
Amortization of principal		7,110	1,945	3,867	1,298	7,110
Cash flows from cash payments from interest		-	444	471	44	959
Total liabilities		**1,875,252**	**1,691,739**	**240,801**	**1,342**	**1,933,882**

			2023			
In thousands of soles	*Note*	Carrying amount	Less than 12 months	2 – 3 years	4 – 8 years	Total
Trade and other accounts payable	*15*	331,959	331,959	-	-	331,959
Other financial liabilities						
Amortization of principal	*16*	1,574,347	466,350	1,060,426	47,571	1,574,347
Cash flows from cash payments from interest		-	89,804	48,818	511	139,133
Total liabilities		**1,906,306**	**888,113**	**1,109,244**	**48,082**	**2,045,439**

D. Capital management

The Company's objective in managing capital is to safeguard its ability to continue as a going concern and provide the expected returns to its stockholders and respective benefits to stakeholders, as well as to maintain an optimum structure to reduce capital cost.

In accordance with the industry, the Company monitors its capital based on the debt-to-equity ratio. This ratio is calculated by dividing the net debt by the total equity. Net debt corresponds to total debt ratio (including current and non-current debt) less cash and cash equivalents. Total equity corresponds to net equity, as shown in the statement of financial position, plus net debt.

As of December 31, 2024 and 2023, the debt-to-equity ratio was as follows:

In thousands of soles	2024	2023
Total liabilities	2,295,136	2,346,119
Less: Cash and cash equivalents	50,854	32,991
Net debt (a)	**2,244,282**	**2,313,128**
Equity (b)	**2,691,988**	**2,468,436**
Debt-to-equity ratio (a/b)	**0.83**	**0.94**

For the years ended December 31, 2024 and 2023, there were no changes in the objectives, policies or procedures related to capital management.

31. Fair Value

A. Financial instruments measured at fair value and fair value hierarchy

The following table shows an analysis of financial instruments measured at fair value at the reporting date, including the level of the fair value hierarchy. The amounts are based on balances presented in the statement of financial position:

In thousands of soles	Level 2	Total
December 31, 2024		
Financial assets		
Hedging financial instruments	416	416
Total financial liabilities	**416**	**416**

In thousands of soles	Level 2	Total
December 31, 2023		
Financial assets		
Hedging financial instruments	1,762	1,762
Total financial liabilities	**1,762**	**1,762**

B. Financial instruments not measured at fair value

Below are the other financial instruments measured at amortized cost and their fair value categorized within different levels of the fair value hierarchy.

Level 1

- Cash and cash equivalents are not significantly exposed to credit or interest rate risks.

- Therefore, the carrying amount is a reasonable approximation of fair value. Trade accounts receivable are net of loss allowance, and have maturities of less than three months. In management's opinion, the carrying amount does not differ materially from the fair value.

- Due to their current maturity, the carrying amount of trade and other accounts payable is a reasonable approximation of fair value.

Level 2

- The fair value of financial liabilities is measured comparing market interest rates at initial recognition and current market rates related to similar financial instruments. The following table compares the carrying amount and the fair value of these financial instruments:

	2024		2023	
In thousands of soles	Carrying amount	Fair value	Carrying amount	Fair value
Promissory notes	974,650	1,080,035	167,085	169,234
Bank loans	479,393	485,174	1,407,262	1,425,954

32. Changes in Liabilities from Financing Activities

The reconciliation of changes in the financial liabilities and financing activities in the statement of cash flows is as follows:

	Equity and liabilities						
In thousands of soles	Opening balance	Cash flows	New bank loans	Dividends declared	Effects of exchange difference	Amortized cost	2024
Overdrafts	-	(45,922)	45,922	-	-	-	-
Promissory notes	167,085	(621,225)	1,426,225	-	2,565	-	974,650
Bank loans	1,407,262	(930,392)	-	-	1,662	861	479,393
Dividends payable	11,000	(196,525)	-	185,525	-	-	-
Total liabilities from financing activities	**1,585,347**	**(1,794,064)**	**1,472,147**	**185,525**	**4,227**	**861**	**1,454,043**

	Equity and liabilities						
In thousands of soles	Opening balance	Cash flows	New bank loans	Dividends declared	Effects of exchange difference	Amortized cost	2023
Overdrafts	-	(36,503)	36,503	-	-	-	-
Promissory notes	371,900	(1,208,570)	1,008,525	-	(4,770)	-	167,085
Bank loans	1,012,231	(231,304)	630,000	-	(4,895)	1,230	1,407,262
Dividends payable	41,339	(301,393)	-	271,054	-	-	11,000
Total liabilities from financing activities	**1,425,470**	**(1,777,770)**	**1,675,028**	**271,054**	**(9,665)**	**1,230**	**1,585,347**

33. Subsequent Events

No material events or facts that may require disclosure in the financial statements have occurred between January 1, 2025 and the reporting date.