

UNACEM Corp S.A.A. and Subsidiaries

Consolidated Financial Statements

As of December 31, 2024 and 2023

(including Independent Auditors' Report)

(TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
SPANISH)

**KPMG en Perú**

Torre KPMG. Av. Javier Prado Este 444, Piso 27
San Isidro. Lima 27, Perú

Teléfono
Internet

51 (1) 611 3000
www.kpmg.com/pe

(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors
UNACEM Corp. S.A.A.

Opinion

We have audited the accompanying consolidated financial statements of UNACEM Corp S.A.A. and its Subsidiaries (hereinafter the Group), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the Group's financial position as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing approved for their application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Peru, together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, have been of most significance in our audit of the consolidated financial statements of the current period. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon; however, we do not express a separate opinion on these matters.

Evaluation of impairment analysis of long-term assets; refer to note 14 "Mining concessions, property, plant and equipment", note 16 "Intangible assets" and note 21 "Deferred income tax asset to the consolidated financial statements."

Key Audit Matters	How the matter was dealt with in our audit
<p>As mentioned in notes 14, 16 and 21 to the consolidated financial statements, as of December 31, 2024 the Group holds mining concessions, property, plant and equipment in the amount of S/ 8,598,202 thousands, goodwill in the amount of S/ 1,207,371 thousands and deferred tax loss carryforward asset in the amount of S/ 343,315 thousands.</p> <p>Management is responsible for evaluating the impairment or recoverability of the aforementioned assets.</p> <p>The Group evaluates, following the specific requirements of the applicable IFRS, whether it is necessary to record a provision for impairment of the long-lived assets indicated above.</p> <p>We have identified the assessment of impairment or recoverability of the value of mining concessions, property, plant and equipment, goodwill and deferred tax loss carryforwards as a critical audit matter. The assessment required auditor judgment due to the review of detailed budgets and projections, discount rates and long-term growth rates, which involves a high degree of subjectivity.</p>	<p>Our approach to address the issue involved the following procedures, among others:</p> <ul style="list-style-type: none"> ▪ Reviewing the analysis performed by management related to the assessment of impairment or recoverability of mining concessions, property, plant and equipment, goodwill and deferred tax loss carryforward assets and; if necessary, the determination of the recoverable amount. ▪ In those cases where it was necessary to estimate the recoverable amount, including the projection of discounted cash flows, we have involved valuation professionals with specialized skills and knowledge in order to assess the reasonableness of the assumptions used by management, which include, among others, projected growth levels and discount rates. Our analysis also considered the comparison of the Group's estimates with actual results in order to assess the Group's ability to make accurate budgets. ▪ Evaluate the disclosures included in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we express no assurance or conclusion on that other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in the audit or otherwise whether the other information appears to contain a material misstatement.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements are considered material if they could, individually or in the aggregate, influence the economic decisions that users make on the basis of the consolidated financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

Also, we provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters communicated to those charged with governance of Grupo UNACEM, we have identified those matters that have been of most significance in the audit of the consolidated financial statements of the current period and are, accordingly, the Key Audit Matters. We have described these matters in our auditor's report unless applicable law or regulation prohibits public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so could reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru,


March 5, 2025

Countersigned by:



Cristian Emmerich (Partner)
Peruvian CPA Registration 39801

Emmerich, Córdova y Asociados



UNACEM Corp S.A.A. and Subsidiaries

Consolidated Financial Statements

As of December 31, 2024 and 2023

Contents	Page
Consolidated Statement of Financial Position	1
Consolidated Statement of Profit or Loss	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6 - 96

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
As of December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Assets			
Current assets			
Cash and cash equivalents	8	360,258	401,275
Trade and other accounts receivable	9	1,011,431	987,197
Inventories	10	1,041,725	1,036,574
Prepaid expenses		24,359	23,879
Financial investments		1,140	-
Available-for-sale assets	11	-	30,923
Other non-financial assets		44	60
Total current assets		2,438,957	2,479,908
Non-current assets			
Trade and other accounts receivable	9	148,980	141,441
Investments in associates	12	39,294	32,172
Financial investments		12,745	4,198
Right-of-use assets	13(a)	227,762	133,692
Mining concessions and property, plant and equipment	14	8,598,202	8,468,208
Stripping activity assets	15	88,982	92,211
Intangible assets	16	2,122,028	2,111,711
Deferred tax assets	21(b)	311,328	224,793
Other non-financial assets		13,978	7,320
Total non-current assets		11,563,299	11,215,746
Total assets		14,002,256	13,695,654

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Liabilities			
Current liabilities			
Other financial liabilities	17	2,279,713	1,686,759
Trade and other accounts payable	18	1,138,493	1,019,946
Deferred revenue	19	13,871	7,597
Deferred tax liabilities	34.C(e)	32,683	72,948
Provisions	20	73,824	70,552
Lease liabilities	13(b)	34,310	21,821
Hedging instruments	35.A	-	1,539
Total current liabilities		3,572,894	2,881,162
Non-current liabilities			
Other financial liabilities	17	3,201,705	3,811,917
Trade and other accounts payable	18	160,643	180,348
Hedging instruments	35.A	3,773	-
Deferred tax liabilities	21(b)	659,052	670,441
Provisions	20	115,967	117,078
Lease liabilities	13(b)	230,404	123,843
Total non-current liabilities		4,371,544	4,903,627
Total liabilities		7,944,438	7,784,789
Equity			
Issued capital	23	1,648,000	1,780,000
Additional capital		(38,019)	(38,019)
Treasury shares		(8,340)	(22,948)
Legal reserve		363,626	363,626
Unrealized gains and losses		1,313	(1,629)
Gains or losses on translation		298,767	291,697
Retained earnings		3,598,732	3,353,966
Equity attributable to owners of the Parent		5,864,079	5,726,693
Non-controlling interests	22	193,739	184,172
Total net equity		6,057,818	5,910,865
Total equity and liabilities, net		14,002,256	13,695,654

The accompanying notes on pages 6 to 96 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Consolidated Statement of Profit or Loss

For the years ended December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Net sales	24	6,854,997	6,376,274
Cost of sales	25	(5,058,840)	(4,793,883)
Gross profit		1,796,157	1,582,391
Operating income (expenses)			
Administrative expenses	26	(524,252)	(480,457)
Selling expenses	27	(139,018)	(115,198)
Other income	29	85,169	60,650
Other expenses	29	(129,289)	(54,082)
		(707,390)	(589,087)
Operating profit		1,088,767	993,304
Other income (expenses)			
Net interests in associates	12(a)	14,223	12,112
Financial income	30	34,771	16,822
Borrowing costs	31	(419,581)	(274,771)
Exchange difference, net	35.A.ii	(30,390)	4,665
		(400,977)	(241,172)
Profit before tax		687,790	752,132
Income tax	21(a)	(218,115)	(229,359)
Net profit or loss		469,675	522,773
Attributable to			
Owners of the Parent Company		450,134	509,515
Non-controlling interests	22	19,541	13,258
		469,675	522,773
Basic and diluted earnings per share (in soles)	33	0.262	0.286
Weighted average number of outstanding shares (in thousands of shares)	33	1,718,830	1,784,126

The accompanying notes on pages 6 to 96 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Net profit or loss		469,675	522,773
Other comprehensive income to be reclassified to profit or loss			
Exchange difference		8,225	(51,894)
Changes in fair value of hedging instruments	35.A	(6,881)	(2,444)
Other comprehensive income not to be reclassified to profit or loss			
Effects of changes in actuarial assumptions about provision for retirement and termination benefits and others		(373)	1,866
Income tax related to components of other comprehensive income			
Fair value of hedging instruments	21 & 35.A	1,510	258
Other comprehensive income, net of taxes		2,481	(52,214)
Total other comprehensive income		472,156	470,559
Attributable to			
Owners of the Parent Company		460,146	458,350
Non-controlling interests		12,010	12,209
		472,156	470,559

The accompanying notes on pages 6 to 96 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	Attributable to owners of the Parent Company							Non-controlling interests		Total net equity
		Issued capital (note 23.A)	Additional capital (note 23.B)	Treasury shares (note 23.C)	Legal reserve (note 23.D)	Unrealized gains and losses (note 23.E)	Gains or losses on translation (note 23.G)	Retained earnings	Total	(Note 22(a))	
Balance as of January 1, 2023		1,818,128	(38,019)	(23,530)	363,626	(1,737)	343,181	2,949,002	5,410,651	286,157	5,696,808
Net profit or loss		-	-	-	-	-	-	509,515	509,515	13,258	522,773
Other comprehensive income, net of income tax		-	-	-	-	319	(51,484)	-	(51,165)	(1,049)	(52,214)
Total other comprehensive income		-	-	-	-	319	(51,484)	509,515	458,350	12,209	470,559
Dividend distribution	22.C & 23.F	-	-	-	-	-	-	(143,768)	(143,768)	(35,621)	(179,389)
Acquisition of non-controlling interests	22(b)	-	-	-	-	-	-	(13,970)	(13,970)	(4,710)	(18,680)
Unpaid dividends	23.H	-	-	-	-	-	-	29	29	-	29
Treasury shares	23.C	-	-	(64,434)	-	-	-	-	(64,434)	-	(64,434)
Reduction of issued capital	23.C	(38,128)	-	64,936	-	-	-	(26,808)	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	74,020	74,020	(74,020)	-
Others		-	-	80	-	(211)	-	5,946	5,815	157	5,972
Balance as of December 31, 2023		1,780,000	(38,019)	(22,948)	363,626	(1,629)	291,697	3,353,966	5,726,693	184,172	5,910,865
Net profit or loss		-	-	-	-	-	-	450,134	450,134	19,541	469,675
Other comprehensive income, net of income tax		-	-	-	-	2,942	7,070	-	10,012	(7,531)	2,481
Total other comprehensive income		-	-	-	-	2,942	7,070	450,134	460,146	12,010	472,156
Dividend distribution	22.C & 23.F	-	-	-	-	-	-	(137,663)	(137,663)	(16,158)	(153,821)
Acquisition of non-controlling interests	22(b)	-	-	-	-	-	-	(6,970)	(6,970)	3,084	(3,886)
Unpaid dividends	23.H	-	-	-	-	-	-	37	37	-	37
Treasury shares	23.C	-	-	(179,919)	-	-	-	-	(179,919)	-	(179,919)
Reduction of issued capital	23.C	(132,000)	-	194,527	-	-	-	(62,527)	-	-	-
Changes in non-controlling interests and others		-	-	-	-	-	-	1,755	1,755	10,631	12,386
Balance as of December 31, 2024		1,648,000	(38,019)	(8,340)	363,626	1,313	298,767	3,598,732	5,864,079	193,739	6,057,818

The accompanying notes on pages 6 to 96 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Operating activities			
Cash receipts from sale of goods and services		8,934,299	8,295,683
Tax recovery		12,100	27,041
Cash payments to suppliers		(5,915,369)	(5,814,650)
Cash payments to employees		(997,177)	(891,341)
Cash payments from income tax		(350,081)	(417,560)
Cash payments from interest		(338,377)	(235,918)
Cash payments from taxes and contributions		(418,679)	(354,560)
Other charges, net		4,555	26,801
Net cash from operating activities		931,271	635,496
Investing activities			
Sale of property, plant and equipment		45,329	26,652
Cash receipts from dividends	32(a)	14,146	3,669
Acquisition of property, plant and equipment	14	(564,940)	(502,953)
Acquisition of intangible assets	16	(20,345)	(26,384)
Acquisition of subsidiaries, net of cash	1.B	-	(1,558,443)
Acquisition of non-controlling interests	22(b) & 2(iii)	(3,919)	(24,701)
Other cash payments, net		(11,482)	1,622
Net cash used in investing activities		(541,211)	(2,080,538)
Financing activities			
Access to overdrafts	37	178,533	66,221
Access to short-term loans	37	2,044,920	1,452,170
Access to long-term financial liabilities	37	639,705	2,230,800
Cash payments from overdrafts	37	(165,393)	(103,193)
Cash payments from short-term loans	37	(1,126,276)	(1,245,514)
Cash payments from long-term financial liabilities	37	(1,636,768)	(647,507)
Cash payments from lease liabilities	13(b) & 37	(43,225)	(20,950)
Cash payments from dividends (controlling interests)	37	(133,526)	(140,092)
Cash payments from dividends (non-controlling interests)	37	(15,945)	(35,451)
Acquisition of treasury shares	23.C & 37	(179,919)	(64,434)
Other charges, net		3,807	-
Net cash from (used in) financing activities		(434,087)	1,492,050
Net decrease in cash and cash equivalents		(44,027)	47,008
Exchange difference		3,010	19,422
Opening balance		401,275	334,845
Closing balance	8	360,258	401,275
Non-cash transactions			
Acquisition of property, plant and equipment under finance lease	14	63,104	49,590
Reduction of issued capital	23.A	(132,000)	(38,128)
Transfer of replacement parts and spare parts to mining concessions and property, plant and equipment	14	5,749	36,667
Accounts payable from acquisition of property, plant and equipment	14	30,038	26,372
Capitalized interest	14(g)	9,793	6,077
Unpaid dividends	23.H	37	29
Goodwill	16(b) & 1.B	-	32,733
Other intangible assets	16	3,409	2,365

The accompanying notes on pages 6 to 96 are an integral part of these consolidated financial statements.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

1. Background

A. Background and Economic Activity

UNACEM Corp S.A.A. And Subsidiaries (hereinafter the Group) was incorporated in December 1967.

The Group is mainly engaged in the production and sale of all types of cement, clinker and concrete in Peru, United States, Ecuador and Chile, as well as the sale of energy and power in Peru.

As of December 31, 2024 and 2023, the Company is a subsidiary of Inversiones JRPR S.A. (hereinafter the Parent, it is the ultimate controlling party of the conglomerate). It holds 46.62 % and 43.13% of the direct and indirect shares of its share capital, respectively. The Parent Company has power to govern the financial and operating policies of the Company.

The Company's legal domicile is located at Av. Carlos Villarán 508, La Victoria, Lima, Peru.

The Group's consolidated financial statements as of December 31, 2024, were approved by management on March 5, 2025, and will be presented to the Board of Directors on the same date for corresponding approval within the terms established by law. In management's opinion, the consolidated financial statements will be approved with no modification to the consolidated financial statements.

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

B. Acquisitions

B.1 Tehachapi Cement LLC (formerly Martin Marietta Southern California Cement, LLC)- (Tehachapi)

On August 24, 2023, the subsidiary UNACEM North America, (hereinafter UNA or the buyer) entered into a sale and purchase agreement with the U.S. companies Martin Marietta Materials, Inc. and Martin Marietta Pacific District Cement, LLC (the sellers), through which it acquired 100% of the shares of Martin Marietta Southern California Cement, LLC, company domiciled in Delaware, USA, which owns the Tehachapi plant (located in the State of California). This plant has a production capacity of 1 million short tons of cement and 940 thousand short tons of clinker. Furthermore, it was approved that the Company gets involved in the aforementioned agreement, to ensure compliance with all obligations assumed by UNACEM North America, INC. as for the sellers (note 23.A.(ii)).

On October 31, 2023, the acquisition of 100% of the shares of Martin Marietta Southern California Cement, LLC was completed, and as a result of this transaction, the company name was changed to Tehachapi Cement LLC.

The final acquisition price was US\$ 315,140,000 (equivalent to S/ 1,199,737,000). The acquisition was financed through a syndicate loan granted by BBVA Securities Inc. for an amount of US\$ 345,000,000 that matures in three years.

Such acquisition doubled the current production capacity of clinker and cement of the Group in the United States, gaining access to one of the most important markets of the West Coast and strengthening the Group's investment portfolio in its main business.

From the acquisition date to December 31, 2023, the acquirees contributed revenue for US\$ 13,331,000 (equivalent to S/ 49,624,000 and a net loss for US\$ 501,000 (equivalent to S/ 1,864,000 to the Group's profit or loss. According to management, if the acquisition had occurred on January 1, 2023, revenue would have amounted to US\$ 92,016,000 (equivalent to S/ 343,681,000) and net profit or loss would have amounted to US\$ 5,257,000 (equivalent to S/ 19,634,000). In determining these amounts, management assumed that the adjustments to fair value on the acquisition date would have been the same if the acquisition had occurred on January 1, 2023.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The acquisition-date fair value of identifiable assets acquired and the liabilities assumed of Tehachapi, was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2023
Assets		
Inventories		106,764
Mining concessions, property, plant and equipment	14	467,213
Intangible assets	16	634,684
Right-of-use assets	13	13,790
Other financial assets		1,407
		1,223,858
Liabilities		
Lease liabilities	13	13,995
Provisions		42,859
		56,854
Identifiable net assets at fair value		1,167,004
Goodwill generated on acquisition	16(b)	32,733
Consideration transferred at the acquisition date		1,199,737
Net effects of acquisition		-
Consideration transferred at the acquisition date		(1,199,737)
Net cash flow at the acquisition date		(1,199,737)

For purposes of the consolidated financial statements as of December 31, 2023, as permitted by IFRS 3, the Group's management preliminarily estimated the fair values of the identifiable assets and liabilities of this cash-generating unit at the acquisition date. As of December 31, 2024, the valuation was completed and the definite fair value of the identifiable net assets of Tehachapi was determined without significant changes in the fair value determined as of December 31, 2023.

B.2 Termochilca S.A.C. (Termochilca)

On December 29, 2022, the Company informed to the Peruvian Superintendency of Securities Market (SMV for its acronym in Spanish) the approval of the offer made by its subsidiary Compañía Eléctrica El Platanal S.A. (the buyer or CELEPSA) for the acquisition of the shares and claims (senior debt and subordinated bonds) of Termochilca S.A. On January 19, 2023, CELEPSA entered into a share transfer agreement with La Fiduciaria S.A., by virtue of which this subsidiary acquired, subject to the authorization of the National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPi for its acronym in Spanish), in compliance with the applicable regulations, 100% of the shares representing capital stock Termochilca S.A.

On April 20, 2023, CELEPSA was authorized by INDECOPi to carry out the business concentration transaction with Termochilca S.A., and, on May 8, 2023, the closing of the transaction was executed.

As a result, the Group acquired 100% of the direct and indirect shares of the share capital of Termochilca, a Peruvian domiciled company, which is engaged in electric power generation with a combined cycle thermal power plant located in the district of Chilca, province of Cañete, with an installed capacity of 300 MW.

The agreed price was US\$ 141,000,000 (equivalent to S/ 523,110,000), directly paid to CELEPSA, with resources from financing operations. As of December 31, 2023, a payment for US\$ 100,000,000 (equivalent to S/ 371,000,000) was made and the balance of US\$ 41,000,000 (equivalent to S/ 152,233,000), adjusted to fair value results in an amount of US\$ 38,552,000 (equivalent to S/ 145,550,000) to be paid in May 2028 (note 18).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

On October 5, 2023, Termochilca's General Shareholders' Meeting approved the change of name from Termochilca S.A. to Termochilca S.A.C.

From the acquisition date to December 31, 2023, the acquirees contributed revenue for S/ 272,713,000 and a net profit for S/ 18,083,000 to the Group's profit or loss. According to management, if the acquisition had occurred on January 1, 2023, revenue would have amounted to S/ 350,052,000 and net loss would have amounted to S/ 87,817,000. In determining these amounts, management assumed that the adjustments to fair value on the acquisition date would have been the same if the acquisition had occurred on January 1, 2023.

The acquisition-date fair value of identifiable assets acquired and the liabilities assumed of Termochilca was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2023
Assets		
Cash and cash equivalents		12,294
Trade and other accounts receivable		151,914
Inventories		9,728
Property, plant and equipment	14	507,158
Right-of-use assets	13	97,578
Intangible assets	16	51,922
Other financial assets		4,629
		835,223
Liabilities		
Trade and other accounts payable		52,755
Lease liabilities	13	108,486
Provisions		8,195
Deferred tax liabilities	21	143,835
		313,271
Identifiable net assets at fair value		521,952
Negative goodwill	29	(5,547)
Consideration transferred at the acquisition date		516,405
Net effects of acquisition		12,294
Consideration transferred in full at the acquisition date		(371,000)
Consideration transferred to credit at the acquisition date		(143,028)
Compensation assets		(2,377)
Net cash flow at the acquisition date		(504,111)

For purposes of the consolidated financial statements as of December 31, 2023, as permitted by IFRS 3, the Group's management preliminarily estimated the fair values of the identifiable assets and liabilities of this cash-generating unit at the acquisition date. As of December 31, 2024, the valuation was completed and the definite fair value of the identifiable net assets of Termochilca S.A.C. was determined without significant changes in the fair value determined as of December 31, 2023.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements (UNAUDITED)

As of September 30, 2024 and December 31, 2023

2. Financial Information of Subsidiaries

As of December 31, 2024 and 2023, the consolidated financial statements include the following subsidiaries (amounts according to IFRSs and before eliminations according to consolidation procedures):

In thousands of soles			2024		2023		Assets		Liabilities		Net Equity		Profit (loss)	
	Entity	Main economic activity	Direct %	Indirect %	Direct %	Indirect %	2024	2023	2024	2023	2024	2023	2024	2023
Country of incorporation (xi)														
Peru	UNACEM Perú S.A and Subsidiary (x)	Production and sale of cement	99.99	0.01	99.99	0.01	5,070,802	4,814,555	2,380,565	2,346,119	2,690,237	2,468,436	408,274	388,482
Peru/Ecuador	Inversiones Imbabura S.A. and Subsidiaries (i)	Production and sale of cement	100.00	-	100.00	-	2,119,912	2,115,492	418,299	437,904	1,701,613	1,677,588	49,190	38,614
United States	UNACEM North America, Inc. and Subsidiaries – UNA (ii) (1)	Production and sale of cement and concrete	95.85	-	95.85	-	3,293,768	3,259,650	2,300,093	2,248,013	993,675	1,011,637	(22,449)	4,133
Peru	Compañía Eléctrica El Platanal S.A. and Subsidiaries (iii)	Sale of power and energy	90.00	-	90.00	-	2,047,266	2,015,224	1,161,799	1,156,759	885,467	858,465	81,475	32,523
Peru/Chile	Inversiones en Concreto y Afines S.A. and Subsidiaries (iv)	Sale of concrete and ready-mix concrete	93.38	-	93.38	-	1,044,774	1,012,503	623,716	586,303	421,058	426,200	11,974	20,564
Chile	UNACEM Chile S.A.	Production and sale of cement and concrete	99.89	0.11	99.89	0.11	372,363	321,165	296,475	235,363	75,888	85,802	(31,803)	(8,621)
Peru	Inversiones Nacionales y Multinacionales Andinas S.A. - INMA	Real-state business	99.81	0.19	99.81	0.19	129,750	128,883	17,848	16,683	111,902	112,200	(298)	(1,713)
Chile	Prefabricados Andinos S.A. - PREANSA Chile (vi)	Production and sale of ready-mix concrete	100.00	-	50.00	-	72,895	82,159	71,103	80,350	1,792	1,809	(9,018)	(8,485)
Peru/Colombia	Prefabricados Andinos Perú S.A.C. and Subsidiary (v)	Production and sale of ready-mix concrete	50.00	-	50.00	-	66,049	64,181	49,886	54,798	16,163	9,383	9,357	1,635
Peru	ARPL Tecnología Industrial S.A.– ARPL	Legal advisory services and IT assistance	100.00	-	100.00	-	60,289	65,831	13,370	13,557	46,919	52,274	13,576	15,927
Peru	Digicem S.A. – DIGICEM	IT services	99.99	-	99.99	-	48,772	38,838	4,991	3,674	43,781	35,164	(14,403)	(10,511)
Peru	Minera Adelaida S.A. – MINERA	Extraction of non-ferrous metal minerals	100.00	-	100.00	-	28,891	29,547	5,125	3,544	23,766	26,003	(2,237)	(1,023)
Peru	Vigilancia Andina S.A.– VASA	Surveillance services	55.5	44.5	55.50	44.50	15,448	12,655	6,210	4,308	9,238	8,347	891	593
Peru	CALCEM S.A. (vii)	Production of lime and calcium carbonates	51.00	49.00	51.00	49.00	9,133	6	2,135	18	6,998	(12)	(498)	(13)
Peru	UNA Business Services S.A.C – UBS (2)	Advisory services	100.00	-	100.00	-	4,394	16	3,908	27	486	(11)	(4,074)	(13)
Peru	Depósito Aduanero Conchán S.A. – DECOSA	Warehousing services	99.99	-	99.99	-	1,706	1,922	214	693	1,492	1,229	263	99
Peru	Generación Eléctrica Atocongo S.A.– GEA	Thermal power plant operation services	99.85	0.15	99.85	0.15	1,440	17,538	496	16,348	944	1,190	(246)	(209)

(1) Formerly Skanon Investments, INC

(2) Formerly Naviera Conchan, S.A.C

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (i) The subsidiaries of Inversiones Imbabura S.A. are UNACEM Ecuador S.A. (UNACEM Ecuador) and Canteras y Voladuras S.A. (CANTYVOL).

Additionally, on July 9, 2021, the merger of UNACEM Ecuador as the absorbing company and UNICON Ecuador as the absorbed company was approved and registered in the commercial register of Ecuador on February 1, 2023

- (ii) The subsidiaries of UNACEM North America, Inc. (UNA) are Drake Cement LLC, Tehachapi Cement LLC (note 1.B), Sunshine Concrete & Materials Inc. which controls the subsidiaries Maricopa Ready Mix LLC, Drake Aggregates LLC, Desert Ready Mix (DRM) and Desert Aggregates (DA).
- (a) In 2023, the Company made cash contributions to UNA for approximately S/ 6,183,000 (equivalent to US\$ 1,625,000), thus controlling from 95.84% to 95.85% of UNA's capital stock.

On the other hand, UNA has the option to purchase the minority interest in Drake Cement, thus, as of December 31, 2022, UNA has exercised this option, acquiring a 4.348% minority interest for approximately US\$ 6,500,000 (equivalent to S/ 24,947,000), thus directly controlling from 94.04% to 98.39% of Drake Cement's capital stock. During 2022, a part of the acquisition price was paid in the amount of S/ 18,564,000 (equivalent to US\$ 4,875,000) and the remaining amount was paid during 2023 for S/ 6,021,000 (equivalent to US\$ 1,625,000). As of December 31, 2022, the balance payable was S/6,208,000 (equivalent to US\$ 1,625,000) (note 18).

- (b) Interests in consolidated structured entities

- As of December 31, 2022, Desert Ready Mix (DRM) was a consolidated structured entity through which UNA sold concrete and aggregates in Phoenix, United States. The initial capitalization and operating expenses of DRM were financed by UNA.

In July 2014, UNA granted working capital loans to DRM for US\$ 1,750,000 and raw materials purchase loans for US\$ 1,750,000. The loans include an option contract that grants UNA the irrevocable and exclusive right to convert unpaid debt into controlling interests in DRM at the sole and absolute discretion of UNA. UNA and DRM also entered into an operating agreement whereby UNA shall provide technical and commercial support, short-term loans and other services to DRM. The shareholders of DRM pledged their shares as collateral if DRM fails to meet its obligations related to the operating agreement. Additionally, in May 2018, an agreement was reached whereby UNA has the option to acquire the remaining 30% equity interest in DRM.

The subsidiary UNA exercised its call option, effective January 1, 2023, to acquire a 70% interest in DRM at a price equal to the outstanding debt plus accrued interest, for US\$ 5,243,000 (equivalent to S/ 20,029,000).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Likewise, during 2023, UNA acquired an additional 15% interest in DRM for approximately US\$ 4,882,000 (equivalent to S/ 18,233,000), controlling the 85% interest of DRM. As of December 31, 2023, the acquisition price was fully paid.

As of December 31, 2024, UNA is in the process of acquiring the remaining 15% interest of DRM, which will be made through advance payments within 5 years or until complete the payment of US\$ 8,000,000. UNA shall control the 100% interest at the date in which the payment is completed.

In 2019, UNA (formerly Skanon Investments Inc.) granted land purchase loans to Desert Aggregates L.L.C. (DA). The loans include an option contract that grants UNA the irrevocable and exclusive right to convert unpaid debt into a controlling 100% interest in DA at the sole and absolute discretion of UNA. In addition, UNA and DA also entered into an operating agreement whereby UNA shall provide technical and commercial support, short-term loans and other services to DA. The shareholders of DA pledged their shares as collateral if DA fails to meet its obligations related to the operating agreement.

During 2023, UNA exercised its purchase option, effective as of January 1, 2023, to acquire a 100% interest in DA at a price equal to the outstanding debt plus accrued interest, for US\$ 4,737,000 (equivalent to S/ 18,094,000).

- (iii) The subsidiaries of Compañía Eléctrica El Platano S.A. (CELEPSA) are Celepsa Renovables S.R.L. (CERE), Termochilca S.A.C., Ambiental Andina S.A.C. and Compañía Eléctrica San Bernardino S.A.C.
- (iv) The subsidiary of Inversiones en Concreto y Afines S.A. (INVECO) is Unión de Concreteras S.A. (UNICON Perú), which controls the subsidiaries Entrepisos Lima S.A. and UNICON Chile S.A. which controls the subsidiary Inversiones Mel20 Limitada (MEL 20).
- (v) Merger by absorption between Unión de Concreteras S.A. and Concremax S.A. On November 16, 2023, the General Shareholders' Meetings of Unión de Concreteras S.A. (UNICON Peru) and Concremax S.A. (Concremax) jointly agreed to approve the merger project by which UNICON Peru would adopt universally and simultaneously Concremax's equity. As a consequence, Concremax would cease to exist without liquidation, in accordance with the provisions of Article 344 of the Companies Act. The merger became effective on January 1, 2024. UNICON Peru holds 100% of the shares of Concremax, so it is a simple merger, which will not result in an increase in the share capital of UNICON Peru.
- (vi) The subsidiary of PREANSA Perú is Prefabricados Andinos Colombia S.A.
- (vii) **Merger by absorption between Mel 20 Limitada (MEL20) and Constructora de Obras Civiles y Viales Limitada (CONOVIA)**
On December 29, 2023, the General Shareholders' Meetings of Mel 20 Limitada (MEL20) and Constructora de Obras Civiles y Viales Limitada (CONOVIA) agreed to approve the merger project by which MEL20 would adopt the assets of CONOVIA on that date. MEL20 holds 100% of the shares of CONOVIA, so it is a simple merger, which will not result in an increase in the share capital of MEL20.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (viii) Creation of a new society

Production of lime in Peru

In July 2023, the Company has been notified by INDECOPI about the authorization of the business concentration operation consisting of the incorporation of a new company named Calcem S.A. (hereinafter Calcem) between UNACEM Corp. S.A.A., with 51% of the capital stock, and Grupo Calidra S.A. de C.V., a Mexican company, with the remaining percentage.

The purpose of the new company will be to build and operate an industrial plant in the Condorcocha area, province of Tarma, department of Junín. It will be engaged in the production of quicklime and calcium carbonates, with an initial capacity of 600 tons of quicklime per day.

- (ix) Prefabricados Andinos S.A. (PREANSA Chile)

On January 26, 2024, the acquisition of half the shares of Prefabricados Andinos S.A. – Preansa Chile was completed. Therefore, the Company owns the 100% of the subsidiary's shares. The price of the acquisition was US\$ 602,000 (equivalent to S/ 2,268,000), fully paid by the purchasers.

- (x) The subsidiary of UNACEM Perú is TRANSMICEM S.A.C., incorporated in 2024, which will be engaged in the transmission, generation and distribution of electrical energy.
- (xi) The subsidiaries and other affiliates are domiciled in the country where they were incorporated.

3. Contracts and Concessions

A. Regulatory framework and contracts for electric power supply

Law 25844 "Electricity Concessions Act"

According to such Law, the operation of power generating stations and transmission lines is subject to the provisions of the Committee of Economic Operation of the National Interconnected System (COES-SINAC, for its Spanish acronym) in order to coordinate their operation at the lowest cost, thus ensuring the electric power supply and a better use of power resources. COES-SINAC regulates the prices of power and energy transmission between generation companies. It also regulates the compensations to holders of transmission lines.

OSINERGMIN

The Supervisory Agency for Investment in Energy and Mining of Peru (OSINERGMIN, for its Spanish acronym), formerly OSINERG, is responsible for monitoring the activities carried out by the companies of the electric power and hydrocarbons sectors, ensuring the quality and efficiency of the service rendered to users, and monitoring compliance with obligations assumed by concessionaires in service concession arrangements, as well as compliance with current legal requirements and technical regulations, including those related to environmental protection and preservation. However, OSINERGMIN transferred its functions—i.e., monitoring, control and imposing sanctions in environmental matters concerning hydrocarbons and electric power—to the Environmental Assessment and Control Agency (OEFA, for its Spanish acronym). OEFA was established through Legislative Decree 1013, which approved the "Law on Creation, Organization and Functions of the Ministry of Environment."

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Law 28832 "Law to Ensure the Efficient Development of Electricity Generation"

Law 28832, dated July 23, 2006, was enacted to i) ensure enough efficient electric power generation in order to reduce the exposure of the Peruvian electrical system to price volatility and to reduce power shortage risks, as well as to ensure a competitive electric tariff for end users; ii) reduce administrative supervision in determining power prices through market solutions; and iii) promote effective competition in the generation and supply of electric power.

The main changes introduced by this Law are related to the participation in the short-term market of not only generation companies, but also distribution companies and non-regulated customers. As a result, distribution companies and non-regulated customers belong to COES-SINAC, thus modifying its structure. In addition, it established a tendering process, which shall be used by distribution companies when entering into contracts for electric power supply with generation companies intended to meet the public service of power supply. Adherence to this process is optional for non-regulated users.

The sale of power from generation companies to distribution companies is made using power prices at a generation level that are determined as the weighted average of prices in no-bid contracts and contracts resulting from tendering processes. This process was established to promote investments in new generation capacity through long-term contracts for electric power supply with distribution companies at firm prices.

Regulation on the Wholesale Electricity Market

Supreme Decree 026-2016-EM approved the Regulation on the Wholesale Electricity Market. The Regulation incorporated the definition of "wholesale electricity market," which includes the short-term power market and the mechanisms for allocating complementary services, operational inflexibilities and congestion revenue. The participants authorized to purchase power from the short-term power market are generation companies to meet the contractual obligations related to contracts for power supply; distribution companies to meet the demand of non-regulated users (up to 10% of maximum demand); and major users their demand (up to 10% of maximum demand).

COES-SINAC calculates the marginal costs of power and congestion, temporarily measures on a daily basis the transactions in the wholesale electricity market, provides the results to the participants through its website. The congestion revenue is allocated among the participants according to the provisions of the relevant procedure. A participant that does not have an A rating (A, AA or AAA) shall have payment guarantees to meet its payment obligations in the wholesale electricity market. Also, a participant that fails to meet its payment obligations is subject to the actions by COES-SINAC.

Supreme Resolution 006-2019-EM

The Multisectoral Commission for the Electric Power Sector Reform was created on June 20, 2019. It is responsible for analyzing the electricity market and the regulatory framework of the electric power and hydrocarbons sectors regarding the electric power supply to the National Interconnected Electrical System (SEIN, for its Spanish acronym) in order to make proposals to implement measures that ensure the sustainable development of the electric power sector. This Commission is in force for 24 months.

OSINERGMIN Resolution 144-2019-OS/CD

OSINERGMIN Resolution 144-2019-OS/CD, modified the Technical Procedure 26 "Calculation of Firm Power." It is used to measure revenue from power of generation companies belonging to COES-SINAC and determine the maximum level of generation. From September 2019, the firm power for power plants that use wind, solar or tidal power—was zero before the modification—will be determined based on periods of high-power demand (on-peak hours).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Supreme Decree 023-2019-EM

Supreme Decree 023-2019-EM, published on December 29, 2019, extended the suspension of the Regulation on the Secondary Market of Natural Gas (approved by Supreme Decrees 046-2010-EM and 032-2017-EM) until December 31, 2020.

Contracts for energy and power supply

As of December 31, 2024, Compañía Eléctrica El Platanal S.A. (CELEPSA) has 22 contracts for power supply with non-regulated customers with maturity between the years 2025 and 2035, and with a contracted power (C.P.) of 102.47 MW. As of December 31, 2023, CELEPSA has 17 contracts for power supply with non-regulated customers with maturity between the years 2025 and 2033, and with a C.P. of 111.07 MW.

As of December 31, 2024 and 2023, CELEPSA has 18 contracts with: (i) distribution companies with maturity between the years 2027 and 2040, and with a C.P. of 138.53 MW; and (ii) distribution companies designated by the National Fund for Financing State Enterprise Activity (FONAFE, for its Spanish acronym) with maturity between the years 2013 and 2024, and with a C.P. of 9.93 MW.

As of December 31, 2024 and 2023, CERE has 2 regulated contracts with distribution companies that supply energy services that expire in 2031 with a C.P. of 14 MW, including Luz del Sur S.A.A. for a term of 10 years that began in January 2022 and with Pluz Energía Perú S.A.A. for a term of 10 years that began in March 2022.

As of December 31, 2024, Termochilca has 9 contracts for power supply with non-regulated customers with maturity between the years 2025 and 2033, and with a C.P. of 30.3 MW.

As of December 31, 2023, Termochilca has 6 contracts for power supply with non-regulated customers with maturity between the years 2025 and 2033, and with a C.P. of 30.3 MW. As of December 31, 2022, Termochilca had 23 contracts for power supply with non-regulated customers with maturity between the years 2023 and 2029, and with a C.P. of 153.98 MW.

As of December 31, 2023, Termochilca has a regulated contract with a distribution company that supplies energy with a C.P. Of 40.133 MW, and the contracts between Termochilca and distribution companies designed by FONAFE with a C.P. of 9.93 MW expired.

4. Basis of Preparation of the Consolidated Financial Statements

A. Basis of consolidation

The consolidated financial statements present the assets, liabilities, equity, income, expenses and cash flows (financial statements as of December 31, 2024 and 2023) of the Company and its subsidiaries. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

An investor controls an investee if and only if the investor has all the following:

- Power over the investee—i.e., the investor has existing rights that give it the current ability to direct the relevant activities of an investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The investor that holds a majority of those voting rights controls the investee. The Group (investor) shall consider all facts and circumstances when assessing whether it controls an investee, including:

- a contractual arrangement between the Group and other vote holders;
- rights arising from other contractual arrangements;
- the Group's voting rights; potential voting rights or a combination of the Group's voting rights and potential voting rights.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary. The assets, liabilities, income and expenses of a subsidiary acquired are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The Group also attributes total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidated financial statements eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are recognized as equity transactions.

If the Group loses control of a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them); recognizes any resulting difference as a gain or loss in profit or loss attributable to the parent; and recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost.

B. Functional and presentation currency

The consolidated financial statements are presented in soles, which is the Company's functional and presentation currency. Management assessed each subsidiary and determined their functional currency, which is the currency of the primary economic environment in which each subsidiary operates.

Consequently, the Company translates financial information of entities based in a country whose functional currency is other than the sol into its presentation currency applying the translation methods under IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position. The exchange difference of opening balances to the presentation currency at an exchange rate different from the closing rate is presented as a movement of each of the items to which it corresponds.
- Income and expenses for each statement presenting profit or loss and other comprehensive income are translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognized in 'gains or losses on translation in the consolidated statement of comprehensive income.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

C. Reclassifications

Certain items of the consolidated financial statements as of December 31, 2024, have been reclassified to make them comparable with those of the current year. Management considers that such reclassifications do not have effects on decision-making based on them.

5. 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, 2024. Although the amendments had no significant effects on the accounting policies, these affected the information on the accounting policies disclosed in the consolidated 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 consolidated 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 the preparation of these consolidated financial statements are as follows:

i. Business combinations and goodwill

A business combination is recognized by applying the acquisition method under IFRS 3 *Business Combinations*. The identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values, including identifiable intangible assets not recognized in the statement of financial position of the acquiree. Acquisition-related costs are recognized as expenses and included in 'administrative expenses.'

At the acquisition date, the Group classifies or designates the identifiable assets acquired and liabilities assumed on the basis of the contractual terms, economic conditions and other pertinent conditions as they exist at the acquisition date.

The Group 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. The consideration transferred may include assets or liabilities of the Group that have carrying amounts that differ from their fair values at the acquisition date. If so, the Group shall remeasure the transferred assets or liabilities to their fair values as of the acquisition date and recognize the resulting gains or losses, if any, in profit or loss.

The Group recognizes the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. If a contingent consideration is classified as an asset or liability, that is a financial instrument and is within the scope of IFRS 9 *Financial Instruments*, it is measured at fair value and any resulting gain or loss is recognized in profit or loss.

The Group measures goodwill at the amount recognized at the acquisition date less any accumulated impairment losses. 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, which is expected to benefit from the synergies of the combination.

If goodwill has been allocated to a CGU and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal; and measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

If the initial recognition of a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its consolidated financial statements provisional amounts for the items for which the recognition is incomplete. During the measurement period, the Group shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed at the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

ii. Cash and cash equivalents (note 8)

Cash and cash equivalents comprise cash in hand, petty cash fund, checking accounts and time deposits. In preparing the consolidated statement of cash flows, cash and cash equivalents comprise cash and short-term deposits with an original maturity of less than 3 months.

iii. 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 Group classifies financial assets as subsequently measured at amortized cost, FVOCI or FVTPL on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. At initial recognition, the Group measures a financial asset at its fair value plus transaction costs. The Group measures accounts receivable at their transaction price if they do not contain a significant financing component or when the Group applies 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 Group's business model refers to how the Group 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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 Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost (debt instruments)

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 profit or loss when the asset is derecognized, modified or impaired.

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

The Group's financial assets measured at amortized cost comprise cash and cash equivalents and trade and other accounts receivable (notes 8 and 9).

Financial assets measured at FVOCI (debt instruments)

A financial asset is measured at FVOCI 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 sell them subsequently; 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 Group does not have debt instruments classified under this category.

Financial assets measured at FVOCI (equity instruments)

At initial recognition, the Group may make an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading under IAS 32 *Financial Instruments*: Presentation are not held for negotiation. This election is made on an instrument-by-instrument basis.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Dividends on such investments are recognized in 'other income' in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. If so, they are recognized in other comprehensive income. Equity instruments measured at FVOCI are not subject to impairment requirements.

The Group does not have financial assets classified under this category.

Financial assets measured at FVTPL.

Financial assets measured at FVTPL comprise financial assets held for trading, financial assets designated as at FVTPL, and financial assets that shall be measured at fair value. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. A derivative that is a designated and effective hedging instrument is not classified as held for trading. Financial assets that have contractual cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, regardless of the Company's business model.

Financial assets measured at FVTPL are recognized in 'borrowing costs' (net negative changes in the fair value) or 'finance income' (net positive changes in the fair value) in the consolidated statement of profit or loss.

The Group does not have investments classified as financial assets measured at FVTPL.

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 Group 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 Group transfers substantially all risks and rewards of ownership of the financial asset, or (b) the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset, but transfers control of the financial asset.

When the Group 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 Group has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. When the Group continues to recognize an asset to the extent of its continuing involvement, the Group 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 Group has retained.

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

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Impairment of financial assets

The Group 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 Group under the contract and the cash flows that the Group 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 Group applies a simplified approach for trade accounts receivable when measuring ECLs. Therefore, the Group 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 Group 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 Group considers a financial asset to be in default when contractual payments are more than 365 days past due. However, the Group may consider a financial asset to be in default when internal or external information indicates that it is not probable that the Group will collect the amounts due before the Group 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.

At initial recognition, the Group 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 Group's financial liabilities include other financial liabilities and trade and other payables (notes 17 and 18).

Subsequent measurement

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

Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL comprise financial liabilities held for trading and financial liabilities designated as measure at FVTPL at initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Gains and losses are recognized in profit or loss. This category also comprises hedging instruments and derivatives that are not designated and effective hedging instruments in accordance with IFRS 9 *Financial Instruments* (note 35.A.i).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Financial liabilities designated as at FVTPL are designated as such if the criteria in IFRS 9 are met.

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 the consolidated statement of profit or loss when liabilities are derecognized, and when interest accrued is calculated using the effective interest method.

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

This category includes lease liabilities, other financial liabilities and trade and other payables (notes 13(b), 17 and 18).

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 of a financial liability extinguished or transferred to another party and the consideration paid shall be recognized in the consolidated statement of comprehensive income.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group has a legally enforceable right to set them off, 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 (note 35.A)

The Group uses derivatives—e.g., hedging instruments in cash flow hedges or cross-currency interest rate swaps—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 Group's risk management objective and strategy for undertaking the hedge.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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 assessed on an ongoing basis and determined 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 Group 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 (note 35.A.i)

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 Group 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 consolidated profit or loss as a reclassification adjustment. After 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.

iv. Fair value of financial instruments (note 36)

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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The Group 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 Group 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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the entire measurement as follows:

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 or non-recurring basis in the consolidated statement of financial position, the Group 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 Group's accounting policies.

For disclosure purposes, the Group determined classes of assets and liabilities based on their nature, characteristics, and risks, and the level of the fair value hierarchy, as described above.

v. *Classification of assets and liabilities as current and non-current*

The Group's assets and liabilities are presented in the consolidated 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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.

The Company classifies deferred tax assets and liabilities as non-current assets and liabilities.

vi. Foreign currency transactions (note 35.A.ii)

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.

Under IAS 21, exchange differences on intragroup transactions eliminated by consolidation and exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognized in profit or loss in the consolidated financial statements.

vii. Inventories (note 10)

Inventories are measured at the lower of 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, replacement parts, materials, supplies, containers and packaging

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

Finished goods and work-in-progress

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

It excludes borrowing costs and exchange differences.

Goods in transit

The goods are measured at specific acquisition cost.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Loss allowance

The Group 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.

viii. Held-for-sale assets (note 11)

Assets are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell. Likewise, when assets are classified as held for sale, they are no longer amortized or depreciated.

ix. Investments in associates (note 12)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee without the power to control or jointly control those policies.

Factors considered to determine the existence of joint control of, or significant influence over, an investee are similar to those necessary to determine the existence of control of an investee.

Investments in associates are recognized using the equity method.

Under the equity method, at initial recognition the investment in an associate is recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the investee after the date of acquisition. Goodwill relating to an associate is included in the carrying amount of the investment. Amortization of that goodwill is not permitted. Goodwill is not tested for impairment separately.

The Group's share of the investee's profit or loss is recognized in the Group's consolidated statement of profit or loss. The investor's share of changes in the investee's other comprehensive income is recognized in the Group's other comprehensive income. The investor's share of changes recognized directly in the associate's equity is recognized directly in equity by the investor, and disclosed in the consolidated statement of changes in equity. Gains and losses resulting upstream and downstream transactions between the Group and an associate are eliminated to the extent of the investor's interest in the associate.

The Group's share of the associate's profit or loss is recognized in the Groups profit or loss, outside EBIT. The share includes profit or loss, net of taxes, and non-controlling interests of the associate's subsidiaries.

When the end of the reporting period of the entity is different from that of the associate, the associate prepares financial statements as of the same date as the financial statements of the Group. If an associate uses accounting policies other than those of the Group, adjustments shall be made to make the associate's accounting policies conform to those of the Group.

After applying the equity method, the Group assesses whether there is any objective evidence that its net investment in the associate is impaired. The Group assesses at the end of each reporting period whether there is any indication that its net investment in the associate or joint venture may be impaired. An investment in an associate is impaired when its carrying amount exceeds its recoverable amount. Any impairment loss is recognized in 'net investments in associates' in the consolidated statement of profit or loss.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

If the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value. The Group recognizes in profit or loss any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the associate; and the carrying amount of the investment at the date the equity method was discontinued.

x. *Borrowing costs (note 14(g))*

The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. All other borrowing costs are recognized in the consolidated statement of profit or loss as incurred.

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

xi. *Leases (note 14)*

The Group determines whether an arrangement is, or contains, a lease based on an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets; and the arrangement conveys a right to use the asset.

The Group as lessee

The Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement of the lease term, the Group recognizes finance leases as assets and liabilities at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Borrowing costs are recognized in the consolidated statement profit or loss.

A leased asset is amortized over the asset's useful life. However, if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, the asset shall be amortized over the shorter of the lease term or its useful life.

An operating lease is any lease other than a finance lease. The Group recognizes lease payments from operating leases as an expense over the lease term.

The Group as lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease income from operating leases is recognized on a straight-line basis over the lease term in 'revenue' in the consolidated statement of profit or loss. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease income. Contingent rents are recognized as revenue in the period in which they are incurred.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Right-of-use assets (note 13(a))

At the commencement date, a right-of-use asset is measured at cost. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the site on which it is located.

The Group depreciates on a straight-line basis the right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset or the end of the lease term, considering whether the Group will exercise a purchase option.

The useful lives of right-of-use assets are as follows:

Description	Years
Land	3 - 30
Vehicles	3 - 6
Buildings and other constructions	3 - 40
Premises	4
Various equipment	1 - 4

In addition, the right-of-use asset is measured at cost less any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Lease liabilities (note 13(b))

At the commencement date, a lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group's incremental borrowing rate is the discount rate.

The lease payments comprise fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, among others. Likewise, an arrangement may contain non-lease components referred to as lease payments. As a practical expedient, the Group may elect not to separate non-lease components from lease components. However, payments relating to non-lease components are included in the measurement of the lease liability.

Lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are remeasured when there is a change in the future lease payments resulting from a change in an index or rate; there is a change in the amounts expected to be payable under a residual value guarantee; or if the Group reassesses whether it is reasonably certain to exercise a purchase, extension or termination option. When the Group remeasures the lease liability, it recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero, the Group recognizes any remaining amount of the remeasurement in profit or loss.

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Options to extend or terminate the lease are included in the lease term. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

Practical expedient

The Group does not recognize right-of-use assets and lease liabilities for short-term leases of low-value assets (IT equipment) that have a lease term of 12 months or less. The Group recognizes lease payments associated with these leases as expenses on a straight-line basis over the lease term.

The Group as lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases is recognized on a straight-line basis over the lease term in 'other income' in the consolidated statement of profit or loss.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease income. Contingent rents are recognized as revenue in the period in which they are incurred.

xii. Sale and leaseback transactions

The asset under sale and leaseback transactions is included in the consolidated financial statements at the amount of the leaseback and the related liability is presented in 'other financial liabilities' in the consolidated statement of financial position (note 17(e)).

xiii. Property, plant and equipment (note 14)

An item of property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any 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. This cost comprises costs incurred to replace part of an item of property, plant and equipment and borrowing costs for long-term construction projects, provided that the recognition criteria are met. The cost of an item of property, plant and equipment also comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (note 5 xvi). If the Group 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 consolidated statement of profit or loss as incurred.

Depreciation is determined using the straight-line method over the asset's useful life. The following useful lives are used to calculate depreciation:

Description	Years
Closure of quarries	3 – 40
Buildings and constructions	10 – 80
Premises	1 - 30
Machinery, equipment and major replacement parts	3 – 50
Vehicles	3 – 15
Furniture and fixtures	2 - 30
Various equipment	1 - 15

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 consolidated statement of profit or loss.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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 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.

xiv. Mining concessions (note 14)

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.' Mining concessions are amortized using the straight-line method. If the Group abandons a concession, the related costs are recognized in the consolidated statement of profit or loss.

xv. Intangible assets (note 16)

The useful life of an intangible asset may be finite or indefinite.

The Group tests an intangible asset with a finite useful life for impairment to determine whether the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the amortization method is changed to reflect the changed pattern. Such changes are recognized as changes in accounting estimates. The amortization charge for each period is recognized in 'expenses' in the consolidated statement of profit or loss.

Any gain or loss on derecognition of an intangible asset (determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the consolidated statement of profit or loss.

Goodwill

The Group 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 consolidated 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, which 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

Customer list

Customer list is recognized in 'intangible assets' in the consolidated statement of financial position. It has a useful life of 10 years.

Brand

Brand is recognized in 'intangible assets' in the consolidated statement of financial. It has an indefinite useful life.

Water Rights

Water rights are recognized in 'intangible assets' in the consolidated statement of financial position. It has an indefinite useful life

Concession for the generation of electrical energy

A concession for the generation of electrical energy is measured initially at cost, including the right to transfer the concession. The cost and right to transfer are amortized over the concession term (i.e., 25 years).

Software and licenses

Software and licenses 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 1 to 10 years).

Permits

Customer list is recognized in 'intangible assets' in the consolidated statement of financial position. It has a useful life of 40 years.

xvi. Deferred stripping costs (note 15)

The Group 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 Group 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. 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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.

xvii. Reserve estimates (note 20)

Reserves are estimates of the amount of product (ore) that can be economically and legally extracted from mineral resources. The Group 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 items of property, plant and equipment, provision for closure of quarries and depreciation and amortization charges.

xviii. Impairment of non-financial assets (notes 14(k) and 16)

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group 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 its 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 Group uses current market transactions that might be available. If such market transactions are not available, the Group uses a valuation technique that is appropriate in the circumstances.

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

The Group 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 Group 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 other than goodwill is recognized immediately in the consolidated statement of profit or loss unless the asset is carried at revalued amount.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase. In measuring value in use, the Group bases cash flow projections on the most recent financial budgets/forecasts approved by management. Projections based on these budgets/forecasts shall cover a maximum period of five years. When a period greater than five years is used for a CGU, the Group uses a long-term average growth rate to extrapolate cash flow projections.

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

An impairment loss on a non-revalued asset is recognized in 'expenses' in the consolidated statement of profit or loss. However, an impairment loss on a revalued asset is recognized in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset is offset against the revaluation surplus for that asset, and only when that has been exhausted, it is recognized in profit or loss.

The Group 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 Group 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 other than goodwill 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. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase.

The Group tests goodwill for impairment annually (as of December 31) and when there is any indication that goodwill may be impaired. If there is an indication that an asset may be impaired, recoverable amount is determined for the CGU or group of CGUs to which the asset belongs. If the carrying amount of the unit exceeds the recoverable amount of the unit, the Group shall recognize the impairment loss. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

xix. Provisions (note 20)

General provision

A provision is only recognized when the Group 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 expense 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 consolidated statement of profit or loss, 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 borrowing cost in profit or loss.

Provision for closure of quarries (Peru)

The Group 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Accruals are recognized as an expense as incurred in 'borrowing costs' in the consolidated statement of profit or loss. The closure 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.

Provision for environmental rehabilitation (Ecuador)

The Group makes judgments and estimates to recognize costs and measure provisions related to the environmental management plan. They are based on current information on the estimated rehabilitation costs and environmental rehabilitation plans required by law.

The actual costs may differ from the estimates due to changes in the laws and regulations, discovery and analysis of site conditions, and changes in the clean-up technology. Therefore, any change in the facts and circumstances related to this provision and in the laws and regulations may have a significant effect on the provision recognized. The provision for environmental rehabilitation is reviewed on an annual basis using a study that is updated every 3 years.

xx. Contingent assets and contingent liabilities (note 34.D)

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 consolidated 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.

xxi. Employee benefits

The Group'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 consolidated statement of comprehensive income on an accrual basis.

Retirement and termination benefits and other employee benefits (note 20(b))

The Group has a defined benefit plan (i.e., post-employment benefit plan) that regulated and required by the employment and labor law of Ecuador. Under applicable laws, in the event of termination of employment at the request of the employer or employee, the employer will give the employee a bonus of 25% of the last monthly salary for each year of service. This employee benefit is referred as termination benefits. The Group has an additional employee benefit plan for employees under a collective agreement.

The Group annually measures the provision for retirement and termination benefits based on actuarial assumptions made by an independent specialist. It is recognized in the consolidated statement of profit or loss using the projected unit credit method and is the present value of the defined benefit obligation at the reporting date, which is measured by discounting estimates of future cash flows at an annual rate equivalent to the average rate of U.S. bonds stated in the currency in which the benefits are paid and have terms that are an approximation of terms of pension plans until maturity.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The actuarial assumptions include factors such as discount rate, mortality rate, age, sex, year of service, compensation, future increase in compensation, turnover rate, among others.

Actuarial gains and losses resulting from experience adjustments and the effects of changes in the actuarial assumptions are recognized in other comprehensive income when they arise. Any past service cost is recognized in profit or loss.

xxii. Revenue recognition (note 24)

The Group is engaged in the sale of cement, concrete and precast concrete, the supply of electric power and other services. The Group recognizes revenue from contracts with customers when (or as) the Group satisfies a performance obligation is satisfied by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control over that asset.

Sale of goods

The Company identifies the sale of goods as a performance obligation. Revenue is recognized when the Group 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 Group 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).

Sale of power and energy

Revenue from the sale of power and energy is monthly recognized over time based on meter reading periods and are fully recognized when the service is rendered. Revenue from power delivered but not invoiced, which is generated between the last meter reading period and the end of each month, is included in the invoice of the following month, but is recognized in the relevant month based on estimates of the power consumed by the customer during such period.

Rendering of services

Revenue from rental services of gantry cranes, overhead cranes and hydroelectric power plants and other services is recognized over time.

The Group identifies separate performance obligations and allocates the transaction price to each performance obligation.

In some contracts, the Group grants the customer the right to return the good and offers trade discounts and volume rebates.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Interest revenue

Interest revenue is recognized using the effective interest method. Interest is presented in 'finance income' in the consolidated statement of profit or loss.

xxiii. Recognition of costs and expenses

Costs and expenses are recognized on an accrual basis, regardless of when they are incurred, in the periods to which they relate.

xxiv. Taxes (notes 21 and 34.C)

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 that relates to items recognized directly in equity, is recognized outside profit or loss, 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 tax

Deferred 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 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 Group 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 Group assesses the unrecognized deferred tax assets, and recognized deferred tax assets. The Group measures deferred tax assets and liabilities at the tax rate applicable to undistributed profits. The Group recognizes the income tax consequences of dividends when it recognizes a liability to pay a dividend.

The Group 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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 new information as a change in the accounting estimate.

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

Mining royalties (note 34.E)

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 Group 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 consolidated statement of financial position.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

xxv. Earnings per share (note 33)

Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares during the period. As of December 31, 2024 and 2023, the Group does not have dilutive financial instruments; therefore, the basic and diluted earnings per share are the same.

xxvi. Operating segments (note 38)

The Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance is the Board of Directors. Management identified its operating segments based on the reports reviewed by the Board of Directors.

The Board of Directors considered the business from a product line perspective: cement, ready-mix, power and others, with cement being the main segment, accounting for 51.09% of revenues in 2024 (50.95% of revenues in 2023).

6. Significant Accounting Judgments, Estimates and Assumptions

In preparing these consolidated 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.

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

- Estimated useful life and impairment of concessions and property, plant and equipment
- Impairment of long-lived assets
- Reserve estimates
- Income tax

In management's opinion, the estimates included in the consolidated 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.

7. New IFRSs and Amendments Effective and Standards Issued but Not Yet Effective

A. New IFRSs and amendments

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

Amendments to IFRSs	Effective date
<i>Non-current Liabilities with Covenants</i> (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
<i>Lease Liability in a Sale and Leaseback</i> (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024.
<i>Supplier Financing Arrangements</i> (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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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

B. 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
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	Annual periods beginning on or after January 1, 2025.
<i>Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	Annual periods beginning on or after January 1, 2026.
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Annual periods beginning on or after January 1, 2026.
New IFRSs	Effective date
IFRS 18 <i>Presentation and Disclosure in Financial Instruments</i>	Annual periods beginning on or after January 1, 2027.
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	Annual periods beginning on or after January 1, 2027.

Management is assessing the impact of these standards and interpretations over the Company's consolidated 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 with the joint application of IFRS S2. In Peru, these standards issued but not yet effective are subject to Peruvian regulations.

The Company does not plan to early adopt the applicable standards.

8. Cash and Cash Equivalents

This caption comprises the following:

<i>In thousands of soles</i>	2024	2023
Checking and saving accounts (a)	186,508	321,056
Time deposits (b)	168,073	78,818
Petty cash fund	5,677	1,401
	360,258	401,275

- (a) It corresponds to checking and savings accounts stated in local and foreign currency and deposited at local and foreign 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 and foreign financial institutions and stated in local and foreign currency. They accrue interest at market rates and have original maturities of less than three months.

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

9. Trade and Other Accounts Receivable

This caption comprises the following:

		Current		Non-current	
<i>In thousands of soles</i>	<i>Note</i>	2024	2023	2024	2023
Trade accounts receivable					
Invoices and bills receivable (a)		732,921	736,033	25,472	22,052
Trade accounts receivable (b)		88,902	56,140	-	-
		821,823	792,173	25,472	22,052
Related parties					
Accounts receivable from related parties	32(b)	36,722	32,877	-	-
Others					
Claims to Tax Authorities (d)		44,741	43,880	29,756	42,789
Advances to suppliers (c)		42,122	40,341	41,977	31,258
Third-party claims		8,098	4,527	-	-
Loans to employees		7,656	6,556	-	-
Hedging instruments	35.A.i	417	-	929	2,797
Other accounts receivable		24,707	28,404	3,922	3,295
		127,741	123,708	76,584	80,139
Taxes					
Down payments of income tax (e)		37,576	39,203	-	-
Sales tax credit (f)		35,880	36,333	72,396	61,302
		73,456	75,536	72,396	61,302
		1,059,742	1,024,294	174,452	163,493
Less: ECLs (g)		(48,311)	(37,097)	(25,472)	(22,052)
		1,011,431	987,197	148,980	141,441

- (a) Invoices receivable are stated in local and foreign currency, have current maturity and do not accrue interest. Bills receivable have current maturity and accrue interest at market rates.
- (b) As of December 31, 2024 and 2023, it corresponds to loss allowances for accounts receivable from the sale of energy, power and precast concrete in December of those years for S/ 88,902,000 and S/ 56,140,000, respectively. They were invoiced and paid during January and February of the following year.
- (c) As of December 31, 2024 and 2023, it corresponds to advance payments made to suppliers for the acquisition of replacement parts, supplies and other materials, as well as the rendering of various services. They are paid in the short and long term.
- (d) As of December 31, 2024 and 2023, the balance corresponds to payments under protest made by the Company to the Tax Authorities. Such payments are necessary to continue the process of claims related to income tax, mining royalties, and the supplemental mining, metallurgic and steelmaking retirement fund.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Movement in Claims to Tax Authorities is as follows:

<i>In thousands of soles</i>	2024	2023
Opening balance	86,669	94,234
Additions	11,331	13,712
Collections	(5,917)	(13,150)
Disposals	(17,586)	(8,127)
Closing balance	74,497	86,669

It is the opinion of management and its legal advisors that there are sufficient legal grounds to determine that it is probable that these assets will be recovered.

- (e) As of December 31, 2024 and 2023, it corresponds to the credit balance of down payments of income tax and expenses for temporary tax on net assets.

In management's opinion, down payments of income tax will be applied against future taxes levied in the current period (note 34 C.(e)).

- (f) As of December 31, 2024, it corresponds to sales tax credit generated mainly by the subsidiaries UNACEM Perú, UNACEM Chile and DIGICEM (2023: Termochilca, UNACEM Perú and UNACEM Chile).

In management's opinion, down payments of sales tax will be applied against future taxes levied in the current and non-current period.

- (g) Movement in the loss allowance for the years ended December 31, 2024 and 2023 is as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Opening balance		59,149	49,321
Provisions	26, 27 & 29	17,973	11,926
Write-off and others		(1,169)	(2,903)
Recovery	29	(883)	(1,741)
Acquisition of subsidiaries		-	3,992
Effects of exchange difference and translation		(1,287)	(1,446)
Closing balance		73,783	59,149

In management's opinion, accounts receivable are not exposed to default risk, except for provision for accounts receivable.

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

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (h) As of December 31, 2024 and 2023, the Company assessed the exposure to credit risk of trade and other accounts receivable (note 35.B).

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

	Neither past due nor		Past due but not impaired				Impaired
	Total	impaired	Less than 30 days	30-90 days	91-180 days	More than 180 days	
2024	1,234,194	963,551	124,271	32,371	15,000	25,218	73,783
2023	1,187,787	1,003,628	76,840	21,679	14,602	11,889	59,149

10. Inventories

This caption comprises the following:

<i>In thousands of soles</i>	2024	2023
Replacement parts and supplies (a)	393,194	364,451
Work-in-progress (b)	350,828	329,443
Raw materials and auxiliary materials (c)	244,769	257,327
Finished goods	56,554	58,820
Containers and packaging	23,314	30,643
Goods in transit	8,712	18,121
	1,077,371	1,058,805
Provision for inventory obsolescence (d)	(35,646)	(22,231)
	1,041,725	1,036,574

- (a) It corresponds to replacement parts that will be used by the Group in the short term. The replacement parts that the Group 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' (note 14).
- (b) It corresponds to coal, pozzolana, gypsum, clay, clinker in production, as well as limestone extracted from the Group's quarries. According to management, they will be used in the production phase in the short term.
- (c) Raw and auxiliary materials include mainly coal, pozzolana, gypsum, iron, iron oxide, and silica purchased from third party suppliers.
- (d) Movement in the provision for inventory obsolescence for the year ended December 31, 2024 and 2023 is as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Opening balance		22,231	30,866
Provisions	25 & 29	13,916	2,957
Write-off		(282)	(10,595)
Recovery	29	(225)	(1,011)
Effects of translation		6	14
Closing balance		35,646	22,231

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

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

11. Available-for-sale Assets

As of December 31, 2024, the Group does not have assets available for sale. The subsidiaries UNA and PREANSA Chile sold such assets for S/22,100,000 and S/ 3,300,000. However, PREANSA Chile transferred S/ 5,523,000 to 'mining concessions, property, plant and equipment' because the sale was not made.

As of December 31, 2023, the subsidiaries UNA and PREANSA Chile transferred S/ 22,072,000 and S/ 8,851,000 corresponding to land and precast plant, respectively, from 'mining concessions, property, plant and equipment' to 'Available-for-sale assets'.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

12. Investments in Associates

This caption comprises the following:

<i>In thousands of soles</i>	Number of shares		Interests (%)		Carrying amount	
	2024	2023	2024	2023	2024	2023
Sika MBCC Perú S.A.	209,520	209,520	30.00	30.00	16,112	15,023
Ferrocarril Central Andino S.A.	2,480,041	2,480,041	16.49	16.49	9,953	9,776
Ferrovías Central Andina S.A.	250,509	250,509	15.00	15.00	5,697	4,358
Ecorer S.A.C.(c)	7,251,000	-	50.00	-	4,712	-
Compañía de Inversiones Santa Cruz S.A.	12,390	12,390	8.85	8.85	2,365	2,353
Others	-	-	-	-	455	662
					39,294	32,172

(a) Movement in this caption was as follows:

<i>In thousands of soles</i>	2024	2023
Opening balance	32,172	23,734
Investments in subsidiaries	14,223	12,112
Dividends received	(7,093)	(3,668)
Other adjustments to retained earnings	(8)	(6)
Closing balance	39,294	32,172

(b) The following table provides information of the financial statements of associates prepared in accordance with IFRSs:

<i>In thousands of soles</i>	Sika MBCC Perú S.A.		Ferrocarril Central Andino S.A.		Ferrovías Central Andina S.A.		Ecorer S.A.C.		Compañía de Inversiones Santa Cruz S.A.	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total assets	102,193	86,929	458,185	429,328	103,249	114,420	21,800	21,800	36,869	36,901
Total liabilities	48,485	36,853	274,579	275,542	60,453	75,363	12,379	12,379	10,135	10,304
Total net equity	53,708	50,076	183,606	153,786	42,796	39,057	9,421	9,421	26,734	26,597
Net sales	128,625	106,912	201,172	208,491	61,144	60,238	-	-	473	293
Profit or loss	27,276	16,048	40,829	44,308	10,233	5,231	(956)	(956)	144	117

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

- (c) In September 2024, the shareholders of Ecorer S.A.C, CELEPSA and ATN S.A. entered into an agreement to establish conditions for the joint control from both entities. Consequently, Ecorer S.A.C. ceased to be consolidated and is accounted for using the equity method.

13. Right-of-use Assets and Lease Liabilities

- (a) Movement in the right-of-use assets is as follows:

<i>In thousands of soles</i>	<i>Note</i>	Land	Buildings and constructions	Vehicles	Premises	Various equipment	Total
Costs							
As of January 1, 2023		26,968	3,915	4,605	2,185	24,881	62,554
Additions		5,911	-	2,383	686	8,688	17,668
Acquisition of subsidiaries	1.B	-	159,002	714	-	142	159,858
Disposals		(18,081)	-	-	(2,185)	(9,262)	(29,528)
Others		(1,457)	-	-	-	-	(1,457)
Effects of translation		(756)	(564)	(208)	-	(142)	(1,670)
As of December 31, 2023		12,585	162,353	7,494	686	24,307	207,425
Additions		1,871	23,198	13,813	4,117	17,614	60,613
Disposals		(197)	(399)	-	-	(6,406)	(7,002)
Reclassification (e)		-	25,742	-	-	-	25,742
Others (f)		(129)	(9,070)	-	-	-	(9,199)
Effects of translation		(743)	(171)	(125)	-	(221)	(1,260)
As of December 31, 2024		13,387	201,653	21,182	4,803	35,294	276,319
Accumulated depreciation							
As of January 1, 2023		18,799	1,121	3,212	2,052	15,730	40,914
Additions (c)		2,573	5,816	689	270	5,232	14,580
Acquisition of subsidiaries	1.B	-	48,490	-	-	-	48,490
Disposals		(18,169)	-	-	(1,796)	(9,262)	(29,227)
Others		(117)	-	-	-	-	(117)
Effects of translation		(544)	(67)	(157)	-	(139)	(907)
As of December 31, 2023		2,542	55,360	3,744	526	11,561	73,733
Additions (c)		2,029	10,987	3,687	179	6,775	23,657
Disposals		-	(389)	-	-	(6,406)	(6,795)
Others (f)		-	(41,744)	858	-	1	(40,885)
Effects of translation		(600)	(111)	(220)	-	(222)	(1,153)
As of December 31, 2024		3,971	24,103	8,069	705	11,709	48,557
Net carrying amount							
As of December 31, 2024		9,416	177,550	13,113	4,098	23,585	227,762
As of December 31, 2023		10,043	106,993	3,750	160	12,746	133,692

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (b) Movement in the lease liabilities is as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Opening balance		145,664	22,245
Additions		146,864	17,685
Acquisition of subsidiaries	1.B	-	122,481
Lease payments		(43,225)	(20,950)
Reclassification		-	-
Others		12,968	3,350
Exchange difference		2,443	853
Closing balance		264,714	145,664
Classification upon maturity			
Current		34,310	21,821
Non-current		230,404	123,843
		264,714	145,664

- (c) Depreciation charge was allocated to the consolidated statement of profit or loss as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Cost of sales	25	20,452	13,137
Administrative expenses	26	2,664	1,413
Selling expenses	27	451	30
Other expenses	29	90	-
		23,657	14,580

- (d) As of December 31, 2024 and 2023, the Group only has leases with fixed payments.
- (e) It corresponds to the transfer of the line transmission from 'Mining Concessions and Property, Plant and Equipment' due to the application of IFRS 16 to the subsidiary CELEPSA.
- (f) It corresponds mainly to the adjustment of operating and maintenance costs of the transmission line that, under IFRS 16, must be part of the costs of the right-of-use asset in the subsidiary CELEPSA.

It also corresponds to the annual rent contractual adjustments for the consumer price index of the transmission line in the subsidiary Termochilca.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

14. Mining Concessions and Property, Plant and Equipment

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Mining concessions (a)	Land	Closure of quarries	Buildings and constructions	Premises	Machinery and equipment and major replacement parts	Vehicles	Furniture and fixtures	Various equipment	Goods in transit	Work-in-progress (i)	Total
Costs													
As of January 1, 2023		109,267	1,075,026	25,221	4,361,413	190,205	5,112,677	707,140	25,997	196,789	496	498,178	12,302,409
Additions (c)		-	7,239	1,256	4,249	10,636	74,312	54,843	384	15,872	1,985	450,883	621,659
Acquisition of subsidiaries	1.B	102,028	120,503	-	448,257	-	655,447	6,034	516	37,233	-	6,688	1,376,706
Transfers (d)		-	-	-	68,544	23,067	140,234	17,184	3,188	18,407	(2,389)	(268,235)	-
Disposals and sales (e)		-	(3,163)	-	(15,363)	-	(53,094)	(58,022)	(2,003)	(16,260)	-	(17,317)	(165,222)
Reclassification	11	-	(22,072)	-	(51,548)	-	(5,707)	-	-	-	-	44,019	(35,308)
Others		-	-	164	761	(172)	1,717	97	2	(49)	-	(118)	2,402
Effects of translation		(2,800)	(7,976)	-	(59,375)	(1,382)	(39,989)	770	(107)	(1,990)	-	(5,412)	(118,261)
As of December 31, 2023		208,495	1,169,557	26,641	4,756,938	222,354	5,885,597	728,046	27,977	250,002	92	708,686	13,984,385
Additions (c)		-	50,399	1,761	1,524	3,576	42,385	52,745	201	10,115	2,246	508,672	673,624
Transfers (d)		-	-	-	7,993	10,814	141,538	8,171	643	8,681	(384)	(177,456)	-
Disposals and sales (e)		-	(36,692)	-	-	-	(10,338)	(29,663)	(12)	(3,805)	-	(5,395)	(85,905)
Reclassification (j)		5,990	-	(1,257)	(39,684)	15	2,320	12,081	(19)	(26,507)	-	(1,112)	(48,173)
Others		-	5,586	(4,509)	6,024	216	20	28	(17)	(215)	-	5,573	12,706
Effects of translation		1,314	(235)	-	3,950	(3,054)	11,922	(3,045)	(12)	(187)	-	3,345	13,998
As of December 31, 2024		215,799	1,188,615	22,636	4,736,745	233,921	6,073,444	768,363	28,761	238,084	1,954	1,042,313	14,550,635
Accumulated depreciation													
As of January 1, 2023		19,848	-	18,012	1,424,208	133,021	2,542,968	521,494	23,526	145,949	-	-	4,829,026
Additions (f)		529	-	459	121,218	14,787	259,318	59,733	686	11,514	-	-	468,244
Acquisition of subsidiaries	1.B	-	1,124	-	171,568	-	210,537	84	335	18,687	-	-	402,335
Disposals and sales (e)		-	-	-	(36,775)	-	(31,880)	(47,216)	(5,629)	(16,080)	-	-	(137,580)
Reclassification	11	-	-	-	(1,714)	-	(2,671)	-	-	-	-	-	(4,385)
Others		-	-	(4,285)	(285)	(16)	732	-	264	(32)	-	-	(3,622)
Effects of translation		(1)	-	-	4,746	(1,103)	(42,034)	(1,590)	3,552	(1,411)	-	-	(37,841)
As of December 31, 2023		20,376	1,124	14,186	1,682,966	146,689	2,936,970	532,505	22,734	158,627	-	-	5,516,177
Additions (f)		1,894	-	1,708	122,634	8,705	294,914	50,357	758	15,243	-	-	496,213
Disposals and sales (e)		-	-	-	-	-	(9,126)	(29,137)	(12)	(3,116)	-	-	(41,391)
Reclassification (j)		4,891	-	(1,257)	(21,495)	9	13,074	(10,778)	16	(12,415)	-	-	(27,955)
Others		-	34	(1,326)	3,144	(74)	4,021	59	(35)	(9)	-	-	5,814
Effects of translation		5	-	-	2,360	(1,781)	5,122	(2,006)	-	(125)	-	-	3,575
As of December 31, 2024		27,166	1,158	13,311	1,789,609	153,548	3,244,975	541,000	23,461	158,205	-	-	5,952,433
Net carrying amount													
As of December 31, 2024		188,633	1,187,457	9,325	2,947,136	80,373	2,828,469	227,363	5,300	79,879	1,954	1,042,313	8,598,202
As of December 31, 2023		188,119	1,168,433	12,455	3,073,972	75,665	2,948,627	195,541	5,243	91,375	92	708,686	8,468,208

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (a) As of December 31, 2024 and 2023, it corresponds to the Group's concessions of Canteras de Atocongo, Condorcocha, Pucará, El Silencio 8, Selva Alegre, Cumbas, Pastaví (UNACEM Ecuador), Jicamarca (UNICON Perú), and Monolith (Tehachapi) quarries.
- (b) As of December 31, 2024, the carrying amount of assets acquired through leases and sale and leaseback transactions amounts to S/ 130,663,000 (2023: S/ 105,922,000). In 2024, additions amount to S/ 63,104,000 (2023: S/ 40,493,000) under leases and sale and leaseback transactions. The leased assets guarantee the lease liabilities (note 17(e)).
- (c) In 2024, additions correspond to:
 - i. Additions from the subsidiary UNACEM Peru, for projects of deducting in kiln 3 at the Condorcocha plant. Likewise, the roofing of clinker yards are ongoing on both plants: Also, the expansion of the packaging and dispatch capacity of goods in both plants is on process: Atocongo; the projects amount to S/ 179,135,000.
 - ii. Additions from the subsidiary TRANSMICEM for the construction of the power transmission system that ensures the power supply to the Atocongo plant for S/ 69,720,000.
 - iii. Additions from UNACEM Chile for the acquisition of lands for US\$ 4,322,000 (equivalent to S/ 16,425,000).
 - iv. Additions of work-in-progress of UNACEM Ecuador for projects to change the Hazemag crusher liners and increase the production capacity of kiln 1 for US\$ 4,216,000 (equivalent to S/ 15,844,000).
 - v. Additions of UNICON Perú for the i) acquisition of mixer trucks for S/ 23,995,000, ii) concrete launchers and pumps for S/ 1,796,000, front-end loaders for S/ 5,663,000, iii) work-in-progress for repair of trucks and pumps for S/ 5,957,000, iv) conditioning of quarries for S/ 3,941,000, and v) overhaul and commissioning of mixing plants for S/ 6,871,000.
 - vi. Additions from Tehachapi for the acquisition of machinery and equipment for US\$ 3,398,000 (equivalent to S/ 12,769,000) and the acquisition of a rotary kiln with three support piers for US\$ 1,373,000 (equivalent to S/ 5,160,000).
 - vii. Additions from the subsidiary CELEPSA for the acquisition of impellers, buffer reservoir, improvements in the Paucarcocha instrumentation system and expansion of the control center for S/ 6,959,000.
 - viii. Additions from the subsidiary UNICON Chile for the acquisition of new Ochagavia and Talca plants, as well as improvements to other plants for S/ 10,360,000 and ii) overhaul of trucks for S/ 2,302,000.
 - ix. Additions from DRM for the acquisition of machinery and equipment for US\$ 1,756,000 (equivalent to S/ 6,599,000), as well as the acquisition of vehicles for US\$ 5,336,000 (equivalent to S/ 20,051,000).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- x. Additions of the subsidiary Drake Cement for disbursements made for a ball mill liner replacement project for approximately US\$ 1,160,000 (equivalent to S/ 4,359,000) and the acquisition of machinery and equipment for approximately US\$ 2,390,000 (equivalent to S/ 8,983,000).
- xi. Additions of the subsidiary CERE for the manufacture of turbine components for S/ 762,000.
- xii. Additions of the subsidiary Sunshine Concrete & Materials Inc. for the acquisition of aggregate equipment for approximately US\$ 80,000 (equivalent to S/ 297,000).

In 2023, additions correspond to:

- xiii. Additions of the subsidiary UNACEM Peru for projects of deducting in kiln 3 at 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.
- xiv. Additions from the subsidiary Drake Cement, for disbursements made for the following projects: integral mill project and improvements to the raw mill, roller press, repairs to the clinker cooler, mechanical workshop and pre-operating expenses for the opening of the Frenchy Hill quarry for approximately US\$ 22,007,000 (equivalent to S/ 81,535,000) as well as the purchase of machinery and equipment for approximately US\$ 4,013,000 (equivalent to S/ 14,867,000).
- xv. Additions of works in progress of the subsidiary UNACEM Ecuador for projects to increase the production capacity of kiln 1 and hydrogen injection kiln 1 for approximately US\$ 18,372,000 (equivalent to S/ 68,068,000).
- xvi. Additions of UNICON Perú for the i) acquisition of mixer trucks for approximately S/ 22,644,000, ii) concrete launchers and pumps for S/ 1,616,000, front-end loaders for S/ 1,545,000, iii) work-in-progress for repair of trucks and pumps for S/ 2,885,000, iv) conditioning of quarries for S/ 4,773,000, v) overhaul and commissioning of mixing plants for S/ 5,208,000, vi) Toromocho aggregate plant assembly for approximately S/ 4,404,000 and vii)) two secondary and tertiary impactor mills and excavator for S/ 2,823,000.
- xvii. Additions of the subsidiary CELEPSA for the expansion of the control center, buffer reservoir, acquisition of an impeller, improvements in the Paucarcocha instrumentation system and relocation of the data center for S/ 10,558,000.
- xviii. Additions of the subsidiary UNICON Chile for the acquisition of i) new Panamericana and San Antonio plants, as well as improvements to other plants for S/ 10,491,000 and ii) overhaul of trucks for S/ 2,715,000.
- xix. Additions of CERE for the investment in social commitments for approximately S/ 6,800,000.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- xx. Additions of INMA, for office improvements for S/ 7,032,000.
- xxi. Additions of the subsidiary Sunshine Concrete & Materials Inc. for the acquisition of aggregate equipment for approximately US\$ 1,380,000 (equivalent to S/ 5,114,000).

(d) In 2024, transfers correspond to:

- i. The subsidiary UNACEM Peru completed 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 deducting 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.'
- ii. The subsidiary UNACEM Ecuador completed the projects related to increasing production capacity in line 1 of the kiln for approximately US\$ 1,400,000 (equivalent to S/ 5,263,000). Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'
- iii. The subsidiary UNICON Perú performed major inspections of concrete mixer trucks, pumps and front-end loaders for S/ 4,972,000, concrete batching plant for S/ 4,978,000, and improvements to quarries for S/ 3,261,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'
- iv. The subsidiary UNICON Chile made the activation related to the refurbishment new concrete mixing plants and overhaul of tracks for approximately S/ 7,163,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'

In 2023, transfers correspond to:

- v. The Company completed the projects related to the expansion of the packaging and dispatch capacity, called 'Nueva Embolsadura 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.'
- vi. The subsidiary Drake Cement LLC completed the projects related to land clearing for approximately US\$ 2,510,000 (equivalent to S/ 9,300,000). Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'
- vii. The subsidiary UNACEM Ecuador completed the projects related to increasing production capacity in line 1 of the kiln and conditioning biomass for fuel upgrading, for approximately US\$ 20,613,000 (equivalent to S/ 76,372,000). Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- viii. The subsidiary UNICON Perú performed major inspections of concrete mixer trucks, pumps and front-end loaders for S/ 12,219,000 and concrete batching plant for S/ 10,444,000, the overhaul of crushing equipment for approximately S/ 3,690,000, fire system project for approximately S/ 1,108,000 and the refurbishment of the new bagging plant for approximately S/ 838,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'
- ix. The subsidiary UNICON Chile carried out the activation related mainly to the refurbishment of concrete plants and the overhaul of trucks for approximately S/ 9,768,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'
- x. The subsidiary INMA made the activation related to the office remodeling project for S/. 12,949,000. Such projects were transferred from 'work-in-progress' to 'mining concessions and property, plant and equipment.'
- (e) In 2024, it corresponds to the derecognition of assets by i) the subsidiary UNICON Perú related to the sale of concrete mixer trucks and front-end loaders, whose cost and accumulated depreciation amounted to S/ 28,288,000 and S/ 27,835,000, respectively, and ii) the derecognition of lands in Staten Island, whose cost amounted to S/ 36,187,000.

In 2023, mainly includes asset retirements made by: (i) the subsidiary DRM for sales of mixer trucks and concrete drum mixers, whose cost and accumulated depreciation amounted to approximately US\$ 2,205,000 and US\$ 2,187,000 (equivalent to S/ 8,169,000 and S/ 8,103,000, respectively), (ii) the subsidiary Sunshine for sales of machinery and equipment, whose cost and accumulated depreciation amounted to approximately US\$ 10,120,000 and US\$ 8,177,000 (equivalent to S/ 37,494,000 and S/ 30,294,000, respectively) and iii) the subsidiary UNICON Perú for sales of mixer trucks and front loaders, whose cost and accumulated depreciation amounted to approximately S/ 33,001,000 and S/ 32,340,000, respectively.

- (f) In 2024 and 2023, the depreciation charge was allocated as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Cost of sales	25	487,673	454,342
Administrative expenses	26	6,238	11,204
Selling expenses	27	604	576
Other expenses	29	1,698	2,122
		496,213	468,244

- (g) In 2024, interest was capitalized for approximately S/ 9,793,000 (2023: S/ 6,077,000). The amount of borrowing costs 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 borrowing costs eligible for capitalization was 4.38% (2023: 4.33%).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (h) UNA has security agreements on plants, vehicles and equipment located in the United States, which guarantee loans (note 17(e)).

On the other hand, UNICON Perú has a mortgage on the Ancieta and Villa El Salvador plants for up to S/ 152,320,000 (equivalent to US\$ 40,000,000) issued by Scotiabank Perú S.A.A. to guarantee the loan granted by this bank (note 17(e)).

Likewise, UNACEM Chile has a mortgage on the San Juan plant for US\$ 23,000,000 issued by Banco de Crédito e Inversiones S.A. to guarantee the loan granted by this bank (note 17(e)).

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

<i>In thousands of soles</i>	2024	2023
Buildings and constructions	356,789	154,935
Machinery and equipment	683,293	553,751
Premises	1,713	-
Vehicles	518	-
	1,042,313	708,686

- (j) It corresponds mainly to the transfer of Transmission Line from 'Mining Concessions and Property, Plant and Equipment' to 'Right-of-use assets' for a net amount of S/ 25,642,000 due to the application of IFRS 16 to the subsidiary CELEPSA.
- (k) As of December 31, 2024 and 2023, management assessed whether there is any indication that an intangible asset may be impaired and did not identify any such indication. Therefore, it is not necessary to establish a provision for impairment at those dates.

15. Stripping Activity Assets

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Costs			
As of January 1		164,912	164,912
Closing balance		164,912	164,912
Accumulated depreciation			
As of January 1		72,701	69,051
Additions	25	3,229	3,650
Closing balance		75,930	72,701
Net assets			
Closing balance		88,982	92,211

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

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

16. Intangible Assets

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Concession for the generation of electrical energy (a)	Goodwill (b)	Customer list	Brand	Environmental protection program	Exploration expenses	Software	Permits	Water rights	Others	Total
Costs												
As of January 1, 2023		62,600	1,176,605	20,925	158,376	17,071	4,812	64,766	-	-	60,065	1,565,220
Additions		-	-	-	-	-	-	16,883	-	-	11,866	28,749
Acquisition of subsidiaries	1.B	-	32,733	-	-	-	-	16,047	569,147	49,872	70,026	737,825
Disposals and derecognition		(1,271)	-	-	-	-	-	(2,929)	-	-	(7,381)	(11,581)
Effects of translation		-	(3,007)	-	(4,289)	-	(99)	(698)	(15,250)	(1,337)	(274)	(24,954)
As of December 31, 2023		61,329	1,206,331	20,925	154,087	17,071	4,713	94,069	553,897	48,535	134,302	2,295,259
Additions		-	-	-	-	-	165	21,022	-	-	3,555	24,742
Disposals, derecognition and others		-	-	-	-	-	-	1,400	-	-	(6,552)	(5,152)
Effects of translation		-	1,040	-	2,184	-	51	119	7,924	695	(1,004)	11,009
As of December 31, 2024		61,329	1,207,371	20,925	156,271	17,071	4,929	116,610	561,821	49,230	130,301	2,325,858
Accumulated amortization												
As of January 1, 2023		44,864	-	11,397	192	17,071	3,836	46,068	-	-	35,998	159,426
Additions (c)		1,484	-	1,906	2	-	239	6,122	2,290	-	5,695	17,738
Acquisition of subsidiaries	1.B	-	-	-	-	-	-	205	-	-	18,281	18,486
Disposals, derecognition and others		(1,659)	-	-	-	-	-	(2,896)	-	-	(7,073)	(11,628)
Effects of translation		-	-	-	(11)	-	(77)	(204)	(18)	-	(164)	(474)
As of December 31, 2023		44,689	-	13,303	183	17,071	3,998	49,295	2,272	-	52,737	183,548
Additions (c)		1,484	-	1,906	-	-	406	14,680	9,856	-	6,013	34,345
Disposals, derecognition and others		-	-	-	-	-	-	457	(1,769)	-	(12,487)	(13,799)
Effects of translation		-	-	-	(17)	-	43	(41)	40	-	(289)	(264)
As of December 31, 2024		46,173	-	15,209	166	17,071	4,447	64,391	10,399	-	45,974	203,830
Net carrying amount												
As of December 31, 2024		15,156	1,207,371	5,716	156,105	-	482	52,219	551,422	49,230	84,327	2,122,028
As of December 31, 2023		16,640	1,206,331	7,622	153,904	-	715	44,774	551,625	48,535	81,565	2,111,711

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (a) It corresponds to expenses to execute the project “El Platanal hydroelectric station” related to the construction of two hydroelectric stations and an irrigation system for undeveloped land, as well as to obtain the definitive concession for the generation of electrical energy, which was obtained by the Group, through Supreme Resolution 130-2001-EM, dated July 25, 2001. Supreme Resolution 036-2003-EM, dated October 2, 2003, approved the division of the definitive concession for the generation of electrical energy into two separate concessions: G-1 El Platanal hydroelectric station that has a capacity of 220 MW and G-2 Morro de Arica hydroelectric station that has a capacity of 50 MW. As of December 31, 2024 and 2023, the Company has the concession related to the G-1 El Platanal hydroelectric station. In 2017, the G-2 Morro de Arica hydroelectric station was dropped and it is fully amortized.
- (b) Goodwill comprises the higher transaction price paid for the acquisition of the following subsidiaries:

<i>In thousands of soles</i>	Category	Note	2024	2023
CGU				
UNACEM Ecuador S.A.	Cement/Concrete – Ecuador		1,025,529	1,025,529
Concremax S.A., SAG Concreto				
Premezclado S.A. and Entrepisos Lima S.A.C.	Concrete and aggregates – Peru		65,327	65,327
Maricopa Ready Mix & Subsidiaries, Sunshine Concrete & Materials Inc. and others	Concrete and aggregates – United States		39,673	39,673
Tehachapi Cement	Cement /concrete – United States	1.B	32,733	32,733
UNICON Chile S.A.	Concrete – Chile		17,393	17,393
Lar Carbón S.A.	Cement – Peru		9,745	9,745
Constructora de Obras Civiles y Viales Limitada	Aggregates - Chile	1.B	3,862	3,862
			1,194,262	1,194,262
Effects of translation			13,109	12,069
			1,207,371	1,206,331

Impairment test for goodwill and brand with an indefinite useful life

For impairment testing, goodwill acquired in a business combination is allocated to CGUs of the acquiree.

Cash-generating Units (CGU)

In measuring value in use of a CGU the Group bases cash flow projections on the most recent financial budgets/forecasts approved by management and uses the appropriate discount rate to those future cash flows. The Group discloses the information on the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the industries in which the Group operates.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The key assumptions used in testing a CGU for impairment are the following:

CGU	Category	Discount rate %	Average annual growth rate (long term) %	Average EBITDA margin (long term) %
Imbabura and Subsidiary (includes UNACEM Ecuador S.A. and Cantyvol S.A.) (*)	Cement – Ecuador	13.02	5.88%	34.84%
UNICON Perú S.A., SAG Concreto Premezclado S.A. and Entrepisos Lima S.A.C.	Concrete and aggregates – Peru	8.97	4.95%	11.07%
Drake Materials and Subsidiary (include Drake Aggregates, Dessert Ready Mix, Maricopa Ready Mix & Subsidiaries, Sunshine Concrete & Materials Inc. and others)	Concrete and aggregates – United States	5.84	4.54%	16.87%

(*) The impairment test includes the brand of UNACEM Ecuador with an indefinite useful life.

Key assumptions used to measure value in use

▪ **EBITDA margin**

The margin is based on historical multiples recognized in the years prior to the beginning of the budget period. It is increased during the budget period through profitability improvements, considering the country in which each subsidiary operates.

▪ **Discount rate**

The discount rate reflects current market assessments of the risks specific to the asset for which the future cash flow estimates have been adjusted and the country risk.

▪ **Growth rate**

The growth rate shall not exceed the long-term average growth rate for the industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Sensitivity to changes in the key assumptions

The key assumptions described above may change if there is a change in the market and economic conditions. A reasonably possible change in a key assumption (about the growth rate or discount rate) on which management based its determination of the unit's recoverable amount would cause its carrying amount to exceed its recoverable amount.

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

In thousands of soles	Note	2024	2023
Administrative expenses	26	15,533	9,010
Cost of sales	25	15,956	6,330
Selling expenses	27	2,764	2,129
Other expenses	29	92	269
		34,345	17,738

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

17. Other Financial Liabilities

This caption comprises the following:

<i>In thousands of soles</i>	2024			2023		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Promissory notes (a) & (b)	1,537,830	-	1,537,830	609,897	-	609,897
Bank loans, leases and factoring (e)	728,322	2,774,419	3,502,741	1,076,441	3,392,456	4,468,897
Overdrafts (c)	13,561	-	13,561	421	-	421
Corporate bonds (d)	-	427,286	427,286	-	419,461	419,461
	2,279,713	3,201,705	5,481,418	1,686,759	3,811,917	5,498,676

- (a) Bank promissory notes correspond mainly to working capital financing with fixed interest rates in U.S. dollars fluctuating between 5.06% and 7.46% per annum and in soles between 4.94% and 6.05% per annum (2023: interest rates in U.S. dollars fluctuating between 6.19% and 7.87% per annum), do not have specific guarantees and are renewed depending on the Group's working capital needs. As of December 31, 2024 and 2023, it comprises the following:

<i>In thousands of soles</i>	Original currency	Maturity date	2024	2023
Financial institution				
BBVA Banco Continental S.A.	PEN	Between April 2025 and November 2025	410,000	-
Banco de Crédito del Perú S.A.	PEN	Between May 2025 and June 2025	362,000	-
Banco Internacional del Perú S.A.A- Interbank	PEN	Between May 2025 and June 2025	318,000	-
Banco de Crédito del Perú S.A.	US\$	May 2025	169,650	-
Scotiabank Perú S.A.A.	PEN	July 2025	150,000	-
Banco de Crédito e Inversiones S.A. (BCI)	US\$	Between October 2024 and April 2025	75,400	64,978
ITAU Banco Continental S.A.	US\$	March 2025	52,780	51,982
Banco Internacional del Perú S.A.A- Interbank	US\$	April 2024	-	185,650
BBVA Banco Continental S.A.	US\$	Between April 2024 and November 2024	-	175,104
Scotiabank Perú S.A.A.	US\$	April 2024	-	92,713
Banco de Crédito del Perú S.A.	US\$	Between February 2024 and March 2024	-	39,470
			1,537,830	609,897

- (b) As of December 31, 2024 and 2023, interest payable on promissory notes amounted to S/ 22,173,000 and S/ 13,012,000, respectively. It is recognized in 'trade and other accounts payable' in the consolidated statement of financial position (note 18). As of December 31, 2024 and 2023, interest expense amounted to S/ 52,376,000 and S/ 52,565,000, respectively. It is included in 'borrowing costs' in the consolidated statement of profit or loss (note 31).

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(c) As of December 31, 2024, they correspond to obligations of UNA and PREANSA Chile for S/ 13,195,000 and S/ 366,000, respectively. As of December 31, 2023, they correspond to obligations of PREANSA Chile for S/ 421,000.

(d) As of December 31, 2024 and 2023, corporate bonds are as follows:

<i>In thousands of soles</i>	Effective annual interest rate %	Maturity date	2024	2023
Bonds				
Bonds of Arizona (i)	Between 1.78 and 2.11 + variable interest rate	September 2035	433,550	426,995
			433,550	426,995
Amortized cost			(6,264)	(7,534)
			427,286	419,461

(i) On November 18, 2010, UNA obtained a loan by issuing of bonds from the Yavapai County Industrial Development Authority, Arizona, United States, to finance part of the investment in the cement plant for up to US\$ 40,000,000. It matures in September 2035 and is subject to a monthly interest payment based on a variable interest rate (Securities Industry and Financial Markets Association Index) of 3.77 % from December 31, 2024, plus 1.6% against a maximum interest rate of 12%. The bonds are guaranteed by a letter of credit (note 34.A(iii)).

On July 30, 2015, Drake Cement LCC. obtained a new loan by issuing bonds to finance the construction of the cement plant and the acquisition of assets, materials and facilities for up to US\$ 75,000,000. It matures in September 2035 and is subject to a monthly interest payment based on a variable interest rate (Securities Industry and Financial Markets Association Index) of 4.4% as of December 31, 2024, plus 1.95% against a maximum interest rate of 12%. The bonds are guaranteed by a letter of credit (note 34.A(iii)).

The bonds have the following conditions:

- The subsidiaries UNA and Drake Cement LCC. cannot increase their debt for more than US\$ 5,000,000 of the outstanding balance at the issuance of bonds, excluding debt refinancing.
- Maintain an interest coverage ratio of more than or equal to 1.0.

As of December 31, 2024, UNA and Drake Cement LLC do not comply with the restrictive condition of debt increase required on December 31, 2023, due to the acquisition of Tehachapi (note 1.B). However, they obtained a waiver approved and granted by the issuing bank of the letter of credit that guarantees such bonds; therefore, the debt is presented in accordance with the maturities already approved.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(e) As of December 31, 2024 and 2023, the balance is as follows:

<i>In thousands of soles</i>	Maturity date	Original amount	Currency	Use of funds	Warranties	Note	2024	2023
Bank loans								
Bank of NY Mellon	October 2026	345,000	US\$	Financing for the purchase of Tehachapi	Joint and several guarantee	34.A(ii)	1,300,650	1,280,985
BBVA Banco Continental S.A.	June 2025 and January 2027	783,357	PEN	Debt refinancing	No collateral		357,349	706,021
Banco de Crédito del Perú S.A.	June 2025 and October 2026	782,500	PEN		No collateral		311,550	737,275
Scotiabank Perú S.A.A.	March 2025, June 2025 and January 2027	771,547	PEN	Debt refinancing	No collateral		276,136	573,348
Banco Internacional del Perú - Interbank	April 2027	60,000	US\$	Working capital	No collateral		226,200	-
Banco de Crédito e Inversiones (BCI)	June 2027	50,000	US\$	Debt refinancing	Secured loan		188,500	-
Bank of Nova Scotia S.A.	June 2027	50,000	US\$	Debt refinancing	Secured loan		188,500	-
Banco Internacional del Perú - Interbank	January 2027	228,385	PEN	Debt refinancing	No collateral		153,018	195,269
Banco de Crédito e Inversiones	July 2027	-	CLP	-	Real estate collateral		83,599	-
Banco de Crédito del Perú S.A.	May 2027	26,900	US\$	Debt refinancing	No collateral		76,060	84,898
Citibank N.A. (i)	October 2025	50,000	US\$	Debt refinancing	No collateral		75,400	111,390
Banco de Crédito del Perú S.A.	March 2027	34,000	US\$	Debt refinancing	No collateral		57,680	82,057
Bank of Nova Scotia S.A. (i)	September 2025	30,000	US\$	Partial redemption	No collateral		16,965	38,987
Scotiabank Chile S.A. (i)	January 2025	4,000	US\$	-	No collateral		15,146	14,727
BBVA Banco Colombia	August 2026	-	COP	-	Letter of credit	34.A(i)	10,517	11,949
Scotiabank Perú S.A.A.	April 2025	72,000	PEN	Financing to purchase UNICON Chile S.A.	Security in respect of immovable property	14(h)	7,200	21,600
Banco de Crédito e Inversiones	June 2024	75,000	US\$	Financing for the purchase of Termochilca	Real estate collateral on Termochilca shares		-	278,475
Banco de Crédito e Inversiones (Chile)	June 2024	-	CLP	-	Security in respect of immovable property	14(h)	-	70,692
BBVA Banco Continental S.A.	December 2024	28,773	PEN	-	No collateral		-	14,125
Citibank N.A. (New York)	July 2024	11,000	US\$	-	No collateral		-	10,211
Less than S/ 10,000,000	-	-	-	-	-		57,192	67,264
							3,401,662	4,299,273
Amortized cost							(12,502)	(15,873)
							3,389,160	4,283,400
Sale and leaseback transactions								
Scotiabank Chile S.A.	March 2024	-	CLP	Leased assets	-		-	195
							-	195
Finance leases								
Bok Financial Corporation	Between December 2025 and December 2029	-	US\$	Leased assets	-		28,523	24,542
Bank of America	Between May 2025 and December 2027	-	US\$	Leased assets	-		15,569	16,987
Scotiabank Perú S.A.A.	Between January 2025 and December 2027	-	-	Leased assets	-		13,768	18,013
Consortio Transmantaro S.A. (Peru)	July 2039	-	US\$	Leased assets	-		-	55,439
Less than S/ 10,000,000							55,721	30,781
							113,581	145,762
Debt factoring							-	39,540
Total							3,502,741	4,468,897

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (i) The Group entered into swap contracts to reduce the risk of the variable interest rate related to these loans (note 35.A.i).
- (f) Management monitors covenants applicable to local financial liabilities on a quarterly, semiannual and annual basis. They are calculated based on the Group's separate or consolidated financial statements and the valuation techniques required by each financial institution.

As of December 31, 2024 and 2023, the main covenants calculated based on the separate financial statements are the following:

UNACEM Corp. S.A.A. (*)

- 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 or equal to 3.75 for the year 2023 onwards.

() Ratios calculated based on information combined with UNACEM Peru.*

UNACEM Perú S.A.

- 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.

UNACEM Ecuador S.A.

As of March 31, 2023:

- Maintain a debt-service coverage ratio of more than or equal to 1.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 3.75.

Starting in April 2023:

Maintain a debt-service coverage ratio of more than or equal to 1.

Starting in June 2024:

- Maintain a debt-service coverage ratio of more than or equal to 1.2.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 3.

Unión de Concreteras S.A.

- Maintain a debt-service coverage ratio of more than or equal to 1.2 for Scotiabank Perú and between 1.5 and 1 for Citibank del Perú.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 2.5 for Scotiabank Perú and Citibank del Perú.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Compañía Eléctrica El Platanal S.A.

- Maintain a debt-to-equity ratio of less than or equal to 3.5 as of December 2025 and less than 3.0 onwards
- Maintain a debt-service coverage ratio of more than or equal to 1.2.

UNACEM North America, Inc. and Subsidiaries

- Maintain a debt-to-equity ratio of less than 2.25 for Banco de Crédito del Perú.

As of December 31, 2024 and 2023, the main covenants calculated based on the consolidated financial statements are the following:

UNACEM Corp S.A.A. and Subsidiaries

- Maintain a debt-to-equity ratio of less than 1.5.
- Maintain a debt-service coverage ratio of more than or equal to 1.20.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 3.75.

UNACEM Chile S.A.

- Maintain a debt-service coverage ratio of more than or equal to 3.
- Maintain a minimum total equity equivalent to US\$ \$ 1,400,000,000.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 3.75.

UNACEM North America, Inc. and Subsidiaries (*)

- Maintain a debt-to-equity ratio of less than 3.75.
- Maintain an interest coverage ratio of more than or equal to 3.
- Maintain a minimum total equity equivalent to US\$ \$ 1,400,000,000.

(*) Conditions to be fulfilled with the Bank of New York Mellon as Administrative Agent of the Syndicated loan.

In management's opinion, the Company and subsidiaries have complied with the financial safeguards as of December 31, 2024, except for UNA, whose debt-to-equity ratio obtained a waiver duly approved and granted by Banco de Crédito del Perú during 2024, for which reason it has been presenting the debt in accordance with the initially approved maturities. As of December 31, 2023, the Company and subsidiaries have complied with the financial safeguards, except for UNACEM Chile, whose obligation is presented in the short term in the amount of S/ 70,692,000 and UNA Chile, which obtained a waiver duly approved and granted by the creditor bank during 2023, for which reason it has been presenting the debt in accordance with the initially approved maturities. UNA will manage the modification of this financial safeguard until the date it expires (March 2027).

- (g) As of December 31, 2024 and 2023, interest payable on medium and long-term bonds and debts amounted to S/ 51,380,000 and S/ 40,047,000, respectively. It is recognized in 'trade and other accounts receivable' in the consolidated statement of financial position (note 18).

In 2024 and 2023, interest on bonds and bank loans amounted to S/ 288,662,000 and S/ 194,075,000, respectively. It is recognized in 'borrowing costs' in the consolidated statement of profit or loss (note 31).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(h) Movement in other financial liabilities is as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Opening balance		5,498,676	3,735,878
Additions		2,863,158	3,749,191
Additions to finance leases		63,104	49,590
Payments		(2,928,437)	(1,996,214)
Effects of exchange difference and translation		36,212	(46,092)
Others		(51,295)	6,323
Closing balance	37	5,481,418	5,498,676

As of December 31, 2024, the Group has bank loans in local currency (soles) at effective annual interest rates ranging from 4.10% to 6.89%. Bank loans in foreign currency (U.S. Dollars) are at fixed rate ranging from 2.75% to 8.07% and a variable interest rate plus a margin. Likewise, the Group maintains a 3-month SOFR variable rate with a margin ranging from 2.01% to 2.86%.

As of December 31, 2023, the Group has bank loans in local currency (soles) at effective annual interest rates ranging from 2.26% to 7.91%. 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%).

18. Trade and Other Accounts Payable

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Trade accounts payable (a)		775,403	698,398
Accounts payable for acquisition of subsidiaries	1.B	145,550	143,151
Compensations and paid annual leave payable		97,926	87,118
Interest payable	17(b) & (g)	73,553	53,059
Customer advances (b)		66,797	51,242
Accounts payable to related parties	32(b)	34,638	28,886
Dividends payable	22(d) & 23(f)	23,590	19,385
Community commitments		20,126	20,714
Taxes and contributions payable		16,910	15,837
Sales tax payable		9,174	17,826
Compensation to Board of Directors		6,831	7,862
Accounts payable from acquisition of property, plant and equipment		6,546	11,782
Loans payable to third parties		-	11,300
Other accounts payable		22,092	33,734
		1,299,136	1,200,294
Classification by maturity:			
Current		1,138,493	1,019,946
Non-current		160,643	180,348
		1,299,136	1,200,294

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

- (a) Trade accounts payable arise from the acquisition of goods and services and correspond to invoices payable to local and foreign suppliers. They have current maturity, do not accrue interest and do not have specific collaterals.
- (b) As of December 31, 2024 and 2023, it corresponds to:

Unión de Concreteras S.A.

It corresponds to contracts for the supply of ready-mix concrete whereby Unión de Concreteras S.A. received advance payments from its customers for S/ 40,911,000 and S/ 19,994,000 as of December 31, 2024 and 2023. These advance payments are deducted from measurements upon shipment of concrete made during the first months of 2025 and 2024, respectively.

As of December 31, 2024, Unión de Concreteras S.A. has letters of guarantee on behalf of customers to ensure the fulfillment of contractual obligations for S/ 13,074,070 (2023: S/ 25,492,000).

Prefabricados Andinos S.A.

It corresponds to contracts for the construction of precast concrete buildings whereby Prefabricados Andinos S.A. received advance payments from its customers for S/ 15,644,000 (2023: S/ 11,345,000).

19. Deferred Revenue

This caption comprises the following:

<i>In thousands of soles</i>	2024	2023
Cement and clinker	11,767	7,110
Others	2,104	487
	13,871	7,597

20. Provisions

This caption comprises the following:

<i>In thousands of soles</i>	Current		Non-current	
	2024	2023	2024	2023
Employees' profit sharing (a)	64,870	60,828	-	-
Severance payment	6,483	6,148	-	-
Provision for closure of quarries and environmental rehabilitation (c)	1,289	2,347	70,333	73,910
Retirement benefits (b)	-	-	25,141	22,994
Provision for termination benefits (b)	-	-	6,938	6,461
Other provisions	1,182	1,229	13,555	13,713
	73,824	70,552	115,967	117,078

- (a) In accordance with the Peruvian laws, the subsidiaries of the Group domiciled in Peru have profit-sharing plans (employee benefits) that range from 5% to 10% of annual taxable profits based on the economic sector in which the subsidiary operates. Employees' profit sharing under this plan is 50% based on the number of days that an employee has worked during the prior year, and the other 50% based on a proportion of the amount of annual compensation.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

In accordance with the Ecuadorian laws, the employees of UNACEM Ecuador receive a share of 15% of the net profits. The employees of Canteras y Voladuras S.A. receive a share of 3% of the net profits. It distributes 12% of the profits to the Internal Revenue Service.

In 2024 and 2023, the profit-sharing payments amount to S/ 111,899,000 and S/ 97,664,000, respectively. They are recognized in the consolidated statement of profit or loss (note 28).

- (b) As of December 31, 2024 and 2023, the employee benefits from the subsidiaries domiciled in Ecuador correspond to:

Retirement benefits

In accordance with the Labor Code of Ecuador, the subsidiaries domiciled in Ecuador that have employees that provided uninterrupted or interrupted services for more than 25 years can retire without prejudice to retirement to which they are entitled as members of the Social Security Institution.

Termination benefits

In accordance with the Reform of the Labor Code of Ecuador, issued in 2016, in the event of termination of employment at the request of the employee, the subsidiaries domiciled in Ecuador will give the employee a bonus of 25% of the last monthly salary for each year of service, provided that the employee gave advance notice of termination.

In 2024 and 2023, management measured provisions based on actuarial assumptions made specialists:

<i>In percentages</i>	2024	2023
Discount rate	4.67	5.00
Pay rate of increase	2.30	3.00
Actuarial life table (*)	Table of Ecuadorian Institute of Social Security	Table of Ecuadorian Institute of Social Security
Turnover rate (average)	5.30	4.27

(*) Information provided by the Ecuadorian Institute of Social Security.

According to the projections made by management, these liabilities will be settled in the long term.

As of December 31, 2024 and 2023, the balance of the employer's retirement and eviction reserve covers 100 percent of the value determined in the actuarial study.

- (c) 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. As of December 31, 2024 and 2023, the provision for quarry closure and environmental rehabilitation corresponds mainly to the following subsidiaries:

UNACEM Perú S.A.

It has seven mine closure plans approved by the Ministry of Production.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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).

Unión de Concreteras S.A.

It maintains a provision for the future cost of closing its quarries and dismantling its mobile plants to be realized between 2 and 20 years (2023: between 3 and 21 years). As of December 31, 2024, the present value of the provision for closure of quarries amounts to S/ 5,574,000 (2023: S/ 8,047,000). The risk-adjusted discount rate used in measuring the provision ranges from 4.48% to 7.24% (2023: 5.85% to 6.94%), resulting in a liability for S/ 5,574,000 (2023: S/ 4,948,000).

UNACEM Ecuador S.A.

The Environmental Management Act and the Environmental Regulation on Mining Activities of Ecuador require compliance with an obligation to restore the Selva Alegre, Cumbas and Pastaví quarries according to the closure plan. They have concession terms of 22, 21 and 22 years, respectively based on the registration of exploitation of limestone, pozzolana, and clay, respectively. As of December 31, 2024, it amounts to S/ 2,291,000 (2023: S/ 2,485,000).

UNICON Chile S.A.

As of December 31, 2024 and 2023, UNICON Chile S.A. has a provision for the costs of dismantling plants of 7 years for S/ 1,675,000 and S/ 1,359,000, respectively.

Tehachapi Cement LLC

Tehachapi Cement LLC has a provision for the costs of closure of quarries to be made in 40 years. As of December 31, 2024 and 2023, the Group recognized the liability of the closure of quarries for US\$ 10,190,000, equivalent to S/ 38,416,000 (2023: US\$ 11,598,000, equivalent to S/ 43,065,000).

Termochilca S.A.C.

As of December 31, 2024, Termochilca S.A.C. has a provision for the costs of dismantling the simple cycle and combined cycle electric power generation plant for 30 years, for S/ 4,679,000 (2023: S/ 4,277,000).

Compañía Eléctrica El Platanal S.A.

As of December 31, 2024, CELEPSA has a provision for the costs of dismantling the El Platanal combined cycle hydroelectric station for 26 years for S/ 2,057,000.

As of December 31, 2024, the Group recognized the effect on remeasurement of the liability for closure of quarries for S/ 1,033,000 (2023: S/ 1,433,000). It is recognized in 'borrowing costs' in the consolidated statement of profit or loss (note 31). In management's opinion, this liability is sufficient to meet the applicable environmental laws approved by the authorities of each country.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

21. Income Tax

Movement in the deferred tax liabilities is as follows:

		Effects on consolidated As of January	statement of profit or loss	Effects of translation	Debit to other comprehensi ve income	Acquisition of subsidiaries (note 1.B)	Others	Balance as of December 31, 2023	Effects on consolidated statement of profit or loss	Effects of translation	Debit to other comprehensi ve income	Others	Balance as of December 31, 2024
<i>In thousands of soles</i>	<i>Note</i>	1, 2023											
Deferred tax assets													
Tax loss carryforward	34.C.(d)	306,729	(24,284)	(7,141)	-	46,944	9,076	331,324	10,040	2,884	-	(933)	343,315
Provision for inventory obsolescence		19,111	(9,925)	(149)	-	-	(171)	8,866	3,742	(240)	-	-	12,368
Hedging instruments		115	(733)	-	258	-	67	(293)	(276)	-	1,510	-	941
Provision for holidays		10,479	1,132	(77)	-	163	22	11,719	1,441	(112)	-	71	13,119
Pre-operating expenses		6,848	-	-	-	-	-	6,848	2,159	-	-	-	9,007
Provision for closure of quarries		7,631	(3,414)	(44)	-	1,810	-	5,983	(752)	(29)	-	-	5,202
Retirement and termination benefits		3,000	777	(89)	-	-	32	3,720	753	60	-	-	4,533
Amortization of intangible assets		3,780	(60)	(26)	-	-	-	3,694	(140)	(32)	-	-	3,522
Deferred revenue		1,200	35	(69)	-	-	-	1,166	2,980	(144)	-	-	4,002
Impairment loss of fixed assets		-	-	-	-	40,859	-	40,859	-	-	-	-	40,859
Other provisions		33,810	(1,104)	(936)	-	35,668	2,522	69,960	(1,317)	(772)	-	(4,860)	63,011
Total deferred tax assets		392,703	(37,576)	(8,531)	258	125,444	11,548	483,846	18,630	1,615	1,510	(5,722)	499,879
Deferred tax liabilities													
Difference in tax base and depreciation of fixed assets		(656,696)	55,677	2,526	-	(140,544)	426	(738,611)	37,839	1,202	-	(66)	(699,636)
Investments in associates		-	(78,873)	634	-	-	-	(78,239)	38,785	(1,088)	-	-	(40,542)
Brand, customer list and other intangible assets		(53,840)	312	1,390	-	-	-	(52,138)	1,939	(623)	-	1,074	(49,748)
Stripping activity assets		(28,615)	1,077	-	-	-	-	(27,538)	953	-	-	-	(26,585)
Capitalized interest		(27,359)	(794)	-	-	-	-	(28,153)	(988)	-	-	-	(29,141)
Deferred charges		(2,014)	677	-	-	-	-	(1,337)	551	-	-	-	(786)
Forgiveness of debt		-	126,753	-	-	(126,753)	-	-	-	-	-	-	-
Other provisions		(1,904)	14	(9)	-	(1,982)	403	(3,478)	6,376	(19)	-	(4,044)	(1,165)
Total deferred tax assets		(770,428)	104,843	4,541	-	(269,279)	829	(929,494)	85,455	(528)	-	(3,036)	(847,603)
Total deferred tax liabilities, net		(377,725)	67,267	(3,990)	258	(143,835)	12,377	(445,648)	104,085	1,087	1,510	(8,758)	(347,724)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

The Group's management has made an assessment of the recoverability of its tax loss and has recorded the probable amount that it will recover from future taxable income, which is based primarily on tax planning strategies. The deferred tax loss carryforward as of December 31, 2024, are mainly related to UNA, CELEPSA and CERE and amount to S/ 267,130,000, S/ 25,562,000 and S/ 9,919,000, respectively. (2023: S/ 263,362,000, S/ 41,354,000 and S/ 9,175,000).

- (a) In 2024 and 2023, expenses for the provision for income tax presented in the consolidated statement of profit or loss are as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Current		(299,414)	(291,724)
Deferred portion		104,085	67,267
		(195,329)	(224,457)
Mining royalties	34.E	(4,140)	(4,902)
Tax contingencies		(18,646)	-
		(218,115)	(229,359)

- (b) The deferred tax assets and liabilities, net per subsidiary, are as follows:

<i>In thousands of soles</i>	Deferred assets, net		Deferred liabilities, net	
	2024	2023	2024	2023
Subsidiary				
UNACEM North America Consolidation	263,215	191,974	-	-
UNACEM Corp. S.A.A.	31,191	17,498	-	-
Digicem S.A.	10,548	4,691	-	-
UNICON Chile S.A. and Subsidiaries	9,483	2,384	-	-
Prefabricados Andinos Perú S.A.C.	4,662	4,841	-	-
Prefabricados Andinos S.A.	2,638	6,440	-	-
UNA Bussines Services S.A.C.	1,704	-	-	-
ARPL Tecnología Industrial S.A.	775	668	-	-
Transmicem S.A.C.	733	-	-	-
Minera UNA S.A.	493	484	-	-
Entrepisos Lima S.A.	442	654	-	-
Generación Eléctrica Atocongo S.A.	237	815	-	-
CALCEM S.A.	213	6	-	-
Depósito Aduanero Conchán S.A.	210	349	-	-
Ambiental Andina S.A.C.	9	8	-	-
Inversiones Imbabura S.A.	5	40	-	-
Ecorer S.A.C.	-	3,251	-	-
UNACEM Perú S.A.	-	-	346,041	368,165
Compañía Eléctrica El Platanal S.A.	-	-	117,944	108,368
Termochilca S.A.C.	-	-	111,687	106,144
UNACEM Ecuador S.A. and Subsidiaries	-	-	55,816	57,820
Inversiones Nacionales y Multinacionales Andinas S.A.	-	-	14,016	15,508
UNACEM Chile S.A.	-	-	5,633	5,711
Unión de Concreteras S.A.	-	-	5,539	7,038
Celepsa Renovables S.R.L.	-	-	1,307	533
Prefabricados Andinos Colombia S.A.S.	-	-	764	868
Vigilancia Andina S.A.	-	-	222	228
Inversiones en Concreto y Afines S.A.	-	-	83	58
Eliminations	(15,230)	(9,310)	-	-
	311,328	224,793	659,052	670,441

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

- (c) The reconciliation of the effective tax rate was as follows:

<i>In thousands of soles</i>	2024	2023
Profit before tax	687,790	752,132
Income tax according to tax rate (*)	(203,974)	(220,791)
Tax effects of permanent accounts	(10,001)	(3,666)
Effects of mining royalties	(4,140)	(4,902)
Tax expense	(218,115)	(229,359)

() The income tax was determined using rates applicable to the Company and Subsidiaries activities.*

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

22. Non-controlling Interests

- (a) Non-controlling interests are presented in the consolidated statements of financial position, changes in equity and profit or loss as follows:

	Interests of third parties (%)		Profit (loss)		Net equity		Non-controlling interests in the Group's profit		Non-controlling interests in the Group's net equity	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>In thousands of soles</i>										
Entity										
UNACEM North America, Inc. and Subsidiaries	4.15	4.15	(22,449)	4,133	993,675	1,011,637	6,133	11,456	60,412	61,332
Compañía Eléctrica El Platanal S.A. and Subsidiaries	10.00	10.00	81,475	32,523	885,467	858,465	8,370	2,376	89,231	82,938
Inversiones en Concreto y Afines S.A. and Subsidiaries	6.62	6.62	11,974	20,564	421,058	426,200	474	2,748	30,946	32,711
Prefabricados Andinos Perú S.A.C. and Subsidiaries	50.00	50.00	9,357	1,635	16,163	9,383	4,678	817	8,081	4,691
Prefabricados Andinos S.A.	-	50.00	(9,018)	(8,485)	1,792	1,809	-	(4,242)	-	905
Inversiones Imbabura S.A. and Subsidiaries	-	0.25	49,190	38,614	1,701,613	1,677,588	130	103	1,642	1,595
CALCEM S.A.	49.00	49.00	(498)	(13)	6,998	(12)	(244)	-	3,427	-
							19,541	13,258	193,739	184,172

- (b) As of December 31, 2024 and 2023, the non-controlling interests in profit and equity of each subsidiary includes drag-along rights of each consolidated subsidiary. In 2023, Inversiones Imbabura acquired 12,000 shares of UNACEM Ecuador S.A. for approximately US\$ 120,000 (equivalent to S/ 447,000). During 2024, UNACEM North America (UNA) is in the process of acquiring the remaining 15% interests of DRM, which will be carried out through advance payments over 5 years or until the full amount of US\$ 8,000,000 is paid. Therefore, UNA will take full control of the 100% interests on the date the payment has been made in full (2023: UNA acquired 15% of shares of DRM for US\$ 4,882,000, equivalent to S/ 18,233,000, which resulted in the reduction of non-controlling Interests) (note 2(ii)(b)).
- (c) In 2024, Desert Ready Mix, Desert Aggregates, CELEPSA, Inveco and UNACEM Ecuador distributed dividends to minority shareholders for S/ 7,553,000, S/ 1,250,000, S/ 6,021,000, S/ 1,225,000 and S/ 109,000, respectively. In 2023, Desert Ready Mix, Desert Aggregates, Entrepisos, CELEPSA, Inveco and UNACEM Ecuador distributed dividends to minority shareholders for S/ 29,966,000, S/ 1,160,000, S/ 2,957,000, S/ 1,220,000, S/ 242,000 and S/ 76,000, respectively.
- (d) As of December 31, 2024 and 2023, dividends payable amount to S/ 563,000 and S/ 458,000, respectively (note 18).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

23. Equity

A. Issued capital

As of December 31, 2024 and 2023, the subscribed and paid-in capital is represented by 1,648,000,000 and 1,780,000,000, respectively, ordinary shares at a face value of S/ 1 per share. The Company's ordinary shares are listed in the Lima Stock Exchange.

On October 10, 2024, the General Shareholders' Meeting approved the reduction of the Company's share capital from S/ 1,780,000,000 to S/ 1,648,000,000. Such reduction was registered with the SUNARP on December 14, 2024. For further details, see note 23. C.

	As of December 31, 2024	
	Number of shares	Interests (%)
Shareholders		
Inversiones JRPR S.A.	484,165,664	29.38%
Nuevas Inversiones S.A.	459,129,497	27.86%
Pension Fund Administrators	275,122,516	16.69%
Others	429,582,323	26.07%
	1,648,000,000	100.00%

	As of December 31, 2023	
	Number of shares	Interests (%)
Shareholders		
Inversiones JRPR S.A.	483,489,609	27.16
Nuevas Inversiones S.A.	459,129,497	25.79
Pension Fund Administrators	422,287,829	23.73
Others	415,093,065	23.32
	1,780,000,000	100.00

As of December 31, 2024, the share price of each ordinary share was S/ 1.55 (2023: S/ 1.52).

B. Additional capital

It corresponds to changes in the capital increase made in the year 2019 due to the merger of the Company with Sindicato de Inversiones y Administración S.A., Inversiones Andino S.A. and Inmobiliaria Pronto S.A. and equity.

C. Treasury shares

The Board of Directors' Meeting, held August 20, 2021, approved the purchase of shares for up to S/ 36,400,000, without exceeding 2% of issued shares, which was extended on December 22, 2021, June 28, 2022, December 28, 2022 and June 28, 2023. The Board of Directors' Meeting, held June 28, 2023, extended the purchase program until June 30, 2025, increasing the maximum amount to S/ 112,000,000 without exceeding 4% of issued shares.

In addition, the Board of Directors' Meeting, held April 26, 2024, agreed to extend the purchase of shares for an additional 50 million shares and an additional amount of S/ 80,000,000. Subsequently, the Board of Directors' Meeting, held August 28, 2024, agreed a new purchase of shares for up to 93 million shares and a maximum amount of S/ 150,000,000, extending the purchase program until August 31, 2025.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

The shares are held in the portfolio for a maximum period of two years. Where they are held in the portfolio, rights inherent to the shares are suspended.

Likewise, on October 10, 2024, the General Shareholders' Meeting approved the amortization of 132,000,000 treasury shares generated by the program and the consequent reduction of the Company's share capital from S/ 1,780,000,000 to S/ 1,648,000,000; charging the excess paid over the nominal value for the shares to be amortized, amounting to S/ 62,527,000, to the retained earnings account.

As of December 31, 2024, the Company holds 5,401,000 treasury shares equivalent to S/ 8,340,000 (2023: 14,828,000 shares equivalent to S/ 22,948,000).

D. 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. As of December 31, 2024 and 2023, the legal reserve reached the limit of 20% of issued capital.

E. Unrealized gains and losses

It corresponds to changes in the fair value, net of tax effect, of hedging financial instruments (note 35.A.i) and employee retirement and termination benefits (note 5.xxi).

F. Dividend distribution

In 2024 and 2023, this caption comprises the following:

Dividends 2024

<i>In thousands of soles</i>	Dividends declared and paid	Date of payment	Dividends per ordinary share
Date of Board of Directors' Meeting			
January 31, 2024	35,303	March 4, 2024	0.020
April 26, 2024	35,104	May 20, 2024	0.020
July 24, 2024	34,404	August 28, 2024	0.020
July 24, 2024	32,852	December 3, 2024	0.020
	137,663		

Dividends 2023

<i>In thousands of soles</i>	Dividends declared and paid	Date of payment	Dividends per ordinary share
Date of Board of Directors' Meeting			
January 25, 2023	36,103	February 27, 2023	0.020
April 27, 2023	36,102	May 31, 2023	0.020
July 26, 2023	36,099	August 31, 2023	0.020
October 23, 2023	35,464	November 28, 2023	0.020
	143,768		

As of December 31, 2024 and 2023, dividends payable amount to S/ 23,027,000 and S/ 18,927,000, respectively (note 18).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

The General Shareholders' Meeting, held December 14, 2021, agreed to replace the dividend policy approved by the General Shareholders' Meeting, held March 31, 2015, with a new dividend policy. It consisted of the quarterly distribution of dividends in cash (soles or U.S. dollars) from US\$ 0.005 to US\$ 0.010 per share issued by the Company. They are charged to 'retained earnings.'

G. Gains or losses on translation

It corresponds to the exchange differences arising on translating foreign currency of subsidiaries into the Group's presentation currency. As of December 31, 2024 and 2023, the exchange differences attributable to controlling interests of each subsidiary is as follows:

<i>In thousands of soles</i>	2024	2023
UNACEM North America, Inc. and Subsidiaries	219,255	204,455
Inversiones Imbabura S.A. and Subsidiaries	116,043	107,746
Inversiones en Concreto y Afines S.A. and Subsidiaries	(8,531)	(6,601)
UNACEM Chile S.A.	(17,925)	(10,426)
Prefabricados Andinos Perú S.A.C. and Subsidiary	(5,491)	(1,481)
Prefabricados Andinos S.A.	(4,584)	(1,996)
	298,767	291,697

In 2024 and 2023, the effects of exchange differences attributable to controlling interests recognized in the consolidated statement of comprehensive income resulted in gains and losses for S/ 7,070,000 and S/ 51,484,000, respectively.

H. Unpaid dividends

It corresponds to prior year dividends distributed to certain shareholders of the subsidiaries, which have not been paid in more than three years. As of December 31, 2024 and 2023, they amount to S/ 37,000 and S/ 29,000, respectively.

24. Net Sales

This caption comprises the following:

<i>In thousands of soles</i>	2024	2023
Operating segments		
Cement	3,517,761	3,248,433
Concrete	2,633,283	2,436,360
Power and energy	683,928	672,997
Other services	20,025	18,484
	6,854,997	6,376,274
Timing of transfer of goods		
Goods transferred at a point in time	6,039,622	5,581,708
Services transferred at a point in time	815,375	794,566
	6,854,997	6,376,274

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

25. Cost of Sales

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Beginning inventory of finished goods and work-in-progress	10	388,263	273,596
Production costs			
Use of raw materials		1,141,954	1,097,889
Fuel		907,480	855,543
Personnel expenses	28(a)	858,011	746,301
Depreciation	14(f)	487,673	454,342
Maintenance costs		374,878	384,845
Electric power		356,708	398,114
Transport costs and import duties		185,921	207,115
Use of packaging		109,047	129,839
Depreciation of right-of-use assets	13(c)	20,452	13,137
Amortization	16(c)	15,956	6,330
Provision for inventory obsolescence	10(d)	13,691	2,957
Site preparation (quarries)		6,776	7,747
Depreciation of stripping activity assets	15	3,229	3,650
Royalty expense	34.E	3,016	3,477
Other production costs		593,167	597,264
Ending inventory of finished goods and work-in-progress	10	(407,382)	(388,263)
		5,058,840	4,793,883

26. Administrative Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Personnel expenses	28(a)	267,809	234,433
Third-party services		123,168	129,872
Donations		37,877	28,796
Other administrative expenses		37,435	30,427
Amortization	16(c)	15,533	9,010
Taxes		16,870	15,729
Depreciation	14(f)	6,238	11,204
Expected credit losses	9(g)	10,494	6,502
Depreciation of right-of-use assets	13(c)	2,664	1,413
Others		6,164	13,071
		524,252	480,457

27. Selling Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Personnel expenses	28(a)	56,496	47,933
Advertising costs (a)		54,766	50,409
Expected credit losses	9(g)	7,357	15
Amortization	16(c)	2,764	2,129
Depreciation	14(f)	604	576
Depreciation of right-of-use assets	13(c)	451	30
Others		16,580	14,106
		139,018	115,198

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

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

28. Personnel Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Compensations		686,291	576,594
Employees' profit sharing	20(a)	111,899	97,664
Employer contributions		81,287	71,435
Legal bonuses		69,431	63,426
Bonuses		68,213	56,842
Severance payment		39,107	35,419
Paid annual leave		39,020	34,996
Travel and meal expenses		34,344	33,895
Health care		34,221	31,137
Fees and expense allowance for Board of Directors		12,116	12,720
Retirement and termination benefits		2,021	2,387
Other personnel expenses		27,466	30,775
		1,205,416	1,047,290

- (a) Personnel expenses are allocated as follows:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Cost of sales	25	858,011	746,301
Administrative expenses	26	267,809	234,433
Selling expenses	27	56,496	47,933
Other expenses	29	19,436	16,276
Intangible		3,664	2,347
		1,205,416	1,047,290

- (b) In 2024 and 2023, the average number of employees was 6,771 and 6,501, respectively.

29. Other Income and Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Other income			
Sale of assets available for sale		53,738	-
Service revenue		1,393	469
Indemnities		8,300	924
Rental income		1,815	2,543
Sale of property, plant and equipment		2,828	24,528
Recovery of interest due to SUNAT claims	34.D	1,455	5,713
Prior period revenue		1,312	2,765
Reversal of impairment losses	9(g)	883	1,741
Reversal of an impairment loss on (provision for) inventory obsolescence	10(d)	225	1,011
Negative goodwill	1.B	-	5,547
Others		13,220	15,409
		85,169	60,650

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Other expenses			
Net cost for sale of assets available for sale		(51,069)	-
Personnel expenses	28(a)	(19,436)	(16,276)
Prior period expenses		(11,488)	(2,151)
Tax administrative penalties		(10,935)	(4,045)
Demurrage charges on clinker imports		(6,794)	(1,852)
Cost of transfer of property, plant and equipment		(6,409)	(15,365)
Temporary security contribution		(4,169)	-
Expense for non-creditable value-added tax		(3,974)	-
Donations		(2,000)	(1,417)
Depreciation	14(f)	(1,698)	(2,122)
Provision for inventory obsolescence	10(d)	(225)	-
Expected credit losses	9(g)	(122)	(5,409)
Amortization	16(c)	(92)	(269)
Depreciation of right-of-use assets	13(c)	(90)	-
Others		(10,788)	(5,176)
		(129,289)	(54,082)
		(44,120)	6,568

30. Financial Income

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Interest on deposits and loans receivable		12,348	8,768
Interest on hedging instruments (swap contracts)	35.A.i	2,663	2,693
Gain on fair value of hedging instruments	35.A.ii	1,539	1,714
Gain on remeasuring fair value		14,962	-
Others		3,259	3,647
		34,771	16,822

31. Borrowing Costs

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Interest on bonds and bank loans	17(g)	288,662	194,075
Interest on promissory notes	17(b)	52,376	52,565
Interest on tax obligations		40,940	7,182
Interest on lease liabilities		22,064	4,405
Structuring fee for other financial liabilities		3,744	3,332
Loss on remeasurement of liability for closure of quarries	20(c)	1,033	1,433
Interest on hedging instruments (swap contracts)	35.A.i & ii	1,655	700
Others		9,107	11,079
		419,581	274,771

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
As of December 31, 2024 and 2023

32. Related Party Transactions

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

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Revenue			
Sale of cement			
La Viga S.A.		537,554	534,462
Asociación UNACEM		843	429
Dividends earned			
Sika MBCC Perú S.A.		7,093	3,668
Ferrocarril Central Andino S.A.		7,052	-
Others		1	1
Costs and expenses			
Donations			
Asociación UNACEM		26,488	26,975
Purchase of additives			
Sika MBCC Perú S.A.		74,953	65,616
Fees and import duties for sale of cement			
La Viga S.A.		31,680	36,490
Other expenses			
Sika MBCC Perú S.A.		7,652	5,169
Other income			
Sika MBCC Perú S.A.		1,628	2,415
Asociación UNACEM		2,116	417
Ecorer S.A.C.		403	-
La Viga S.A.		212	274

- (b) As of December 31, 2024 and 2023, the Group has the following related party balances:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Accounts receivable	<i>9</i>		
La Viga S.A.		29,822	30,638
Ecorer S.A.C.		6,146	-
Sika MBCC Perú S.A.		366	154
Others		388	2,085
		36,722	32,877
Accounts payable	<i>18</i>		
Sika MBCC Perú S.A.		28,905	25,177
La Viga S.A.		3,723	3,631
Ecorer S.A.C.		1,800	-
Others		210	78
		34,638	28,886

- (c) The Group 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.
- (d) As of December 31, 2024, the total key management personnel compensation amounted to S/ 19,312,000 (2023: S/ 20,291,000). It includes short-term employee benefits and severance payment.

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
As of December 31, 2024 and 2023

33. Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of outstanding shares during the period.

The following table shows the calculation of the diluted and basic earnings per share.

	Outstanding shares	Basic earnings for the weighted average	Number of days in the periods	Weighted average number of ordinary shares
<i>In thousands of</i>				
Year 2024				
Balance as of January 1, 2024	1,765,172	1,765,172	365	1,765,172
Acquisition of treasury shares	(122,572)	(122,572)	138	(46,342)
Balance as of December 31, 2024	1,642,600	1,642,600	-	1,718,830
Profit or loss attributable to ordinary shareholders (in thousands of soles)	-	-	-	450,134
Net basic and diluted earnings per share (in soles)	-	-	-	0.262

	Outstanding shares	Basic earnings for the weighted average	Number of days in the periods	Weighted average number of ordinary shares
<i>In thousands of</i>				
Year 2023				
Balance as of January 1, 2023	1,805,161	1,805,161	365	1,805,161
Acquisition of treasury shares	(39,989)	(39,989)	192	(21,035)
Balance as of December 31, 2023	1,765,172	1,765,172	-	1,784,126
Profit or loss attributable to ordinary stockholders (in thousands of soles)				509,515
Net basic and diluted earnings per share (in soles)				0.286

As of December 31, 2024, the Company holds 5,401,000 and 14,828,000 treasury shares, respectively.

34. Contingencies and Commitments

A. Financial commitments

(i) The subsidiaries have the following letters of guarantee:

- Letter of guarantee on behalf of the Tax Authorities (SUNAT) for S/ 52,000,000 It matures in December 2025 (note 34.D).
- A letter of guarantee granted by UNACEM Perú S.A. and issued by Banco Internacional del Perú S.A.A. on behalf of MINEM 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

- A letter of guarantee granted by UNACEM Perú S.A. and issued by Banco Internacional del Perú S.A.A. 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 granted by UNACEM Perú S.A. 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 granted by UNACEM Perú S.A. on behalf of third parties for S/ 629,000, maturing in January, February, March, April and October 2025.
- The subsidiary UNACEM Perú S.A. is listed as a guarantor in a bridge loan in favor of its subsidiary TRANSMICEM S.A.C. for S/ 85,000,000 with BBVA Banco Continental S.A. at a rate of 5.10%, maturing on November 21, 2025.
- Letters of guarantee issued by financial institutions on behalf of UNICON Perú S.A. in order to guarantee the supply of concrete to certain customers, as of December 31, 2024 for approximately S/ 116,709,000 with maturity in January 2025 (2023: S/ 114,344,000 with maturity between February and December 2024).
- Letters of guarantee issued by financial institutions on behalf of ENTREPIOS S.A. to guarantee the supply of slabs and precast concrete to certain customers, as of December 31, 2024 for approximately S/ 1,901,000 with maturity from January to September 2025 (2023: S/ 1,944,000 with maturity between February and November 2024).
- Letters of guarantee issued by financial institutions on behalf of Depósito Aduanero Conchán S.A. guaranteeing its obligations generated in the performance of its duties as a bonded warehouse in accordance with the General Customs Law, its regulations and other applicable administrative provisions, as of December 31, 2024 for approximately US\$ 100,000, equivalent to S/ 377,000, maturing in February 2025 (2023: US\$ 100,000, equivalent to S/ 371,000 maturing in February 2024).
- A letter of guarantee granted by CELEPSA in favor of Consorcio Transmantaro S.A. for a total of US\$ 3,000,000, maturing in July 2025, issued by Scotiabank del Perú in order to guarantee compliance with the obligations of the power transmission contract.
- Letters of guarantee granted by CELEPSA in favor of the MEM, issued by Banco de Crédito del Perú, for a total of approximately S/ 3,232,000 with maturity between July 2025 and January 2026, in order to guarantee compliance with various projects.
- A letter of guarantee granted by CELEPSA in favor of Hunt Oil Company of Perú LLC Sucursal del Perú and issued by Scotiabank del Perú, for a total amount of approximately US\$ 1,365,000, equivalent to S/ 5,146,000 maturing in August 2025, in order to guarantee compliance with the obligations of the natural gas supply contract of its subsidiary Termochilca S.A.C.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

- A letter of guarantee granted by CELEPSA in favor of Pluspetrol Camisea S.A. And issued by Scotiabank del Perú, for a total amount of approximately US\$ 1,354,000, equivalent to S/ 5,105,000 maturing in January 2025, in order to guarantee compliance with the obligations of the natural gas supply contract of its subsidiary Termochilca S.A.C.
- Letters of guarantee granted by CELEPSA in favor of the Municipality of Zuñiga, issued by Banco de Crédito del Perú, for a total of approximately S/ 3,510,000 with maturity in February 2025, in order to avoid enforced collection.
- A letter of guarantee granted by Termochilca in favor of Consorcio Transmantaro S.A., issued by Scotiabank del Perú, for a total of US\$ 2,000,000, maturing in December 2025 in order to guarantee compliance with the obligations of the power transmission contract.
- A letter of guarantee granted by CELEPSA in favor of Consorcio Transmantaro S.A., issued by Scotiabank del Perú, for a total of US\$ 12,747,000, maturing in July 2025, in order to secure the payment of the net amortization balance in the event of the termination of the power transmission contract for the Complementary Transmission System facilities and its respective addenda.
- Letters of guarantee granted by Termochilca in favor of Consorcio Camisea, issued by Scotiabank Perú S.A.A., maturing in August 2025, in order to guarantee the compliance of the obligations assumed in the natural gas supply contract.
- On December 13, 2016, BBVA Colombia S.A. approved a credit facility of up to US\$ 3,550,000 on behalf of PREANSA Colombia, which is secured by a letter of credit of PREANSA Perú issued by BBVA Banco Continental S.A. It matures in September 2025.
- As of December 31, 2024, the subsidiary Vigilancia Andina S.A. has letters of guarantee issued by financial institutions guaranteeing the payment of remunerations of personnel under labor intermediation to clients for S/ 3,325,000 with maturity in December 2025 (2023: S/ 3,268,000 maturing in December 2024).

(iii) The Group has the following letters of credit:

- A joint and several guarantees granted jointly by UNACEM Corp, UNACEM Perú S.A., Desert Ready Mix and Desert Agregates on behalf of the subsidiary UNACEM North America, Inc. to the syndicate loan for the acquisition of Tehachapi Cement, for a total of US\$ 345,000,000 (note 1.B.). It matures in October 2026.
- A letter of credit for US\$ 40,447,000, which matures in 2025, entered into between Bank of Nova Scotia U.S. Operations (issuer) and US Bank National Association (trustee), which in turn entered into a trust agreement with the Yavapai County Industrial Development Authority (authority) (note 17(d)(i)).
- A letter of credit for US\$ 75,838,000, which matures in 2025, entered into between Drake Cement LLC, UNACEM North America, Inc.(guarantor) and Nova Scotia Bank, New York Agency (issuer) in order for the issuer to make direct payment of the loan on behalf of Drake in favor of US Bank National Association (trustee), the latter entity in turn entered into a trust agreement with the Yavapai County Industrial Development Authority (authority) (note 17(d)(i)).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

(iii) Letter of indemnity

The subsidiary UNA establishes indemnification provisions under agreements with other entities—i.e., trading partners, customers, property owners, lenders and lessors—in the normal course of business. Under such provisions, UNA generally indemnifies and holds harmless the indemnified party in respect of any loss or damage suffered by the indemnified party as a result of its activities or, in some cases, as a result of the indemnified party's activities. The maximum amount of future payments that UNA could make under the provisions is unlimited. UNA did not incur material costs to defend claims or settle claims related to the indemnification provisions. Accordingly, UNA considers that the fair value of these provisions is low. As of December 31, 2024 and 2023, management does not have any liabilities recognized under the indemnification provisions.

B. Finance leases

The following table shows the minimum lease payments and sale and leaseback transactions:

	2024		2023	
	Minimum lease payments	Present value of lease payments	Minimum lease payments	Present value of lease payments
<i>In thousands of soles</i>				
Up to 1 year	42,533	40,362	52,458	35,209
More than 1 year	84,006	73,219	222,010	110,748
Total payments	126,539	113,581	274,468	145,957
Less:	(12,958)	-	(128,511)	-
Present value of minimum lease payments	113,581	113,581	145,957	145,957

C. Tax matters

- (a) The subsidiaries of the Group are subject to the tax laws of the country in which they operate and to taxes separately based on their non-consolidated income. As of December 31, 2024 and 2023, the income tax rates of the countries in which the Group operates are as follows:

In percentages	Tax rates	
	2024	2023
Peru	29.5	29.5
Ecuador	25.0	25.0
United States (*)		
Arizona	21.0 - 4.9	21.0 - 4.9
California	21.0 - 8.8	21.0 - 8.8
Chile	27.0	27.0

(*) In accordance with the laws of the United States, the subsidiary is subject to a federal tax rate of 21% and a state tax rate of 4.9% and 8.8% in the states of Arizona and California, respectively.

- (b) 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

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 such regulations.

- (c) The Tax Authorities of each country are entitled to audit and, if applicable, to correct the income tax calculated by the Group. The Group's income tax returns are open for review by the Tax Authorities as follows:

	Period subject to tax assessments
Peru	
UNACEM Corp. S.A.A.	2020 – 2024
UNACEM Perú S.A.	2021 – 2024
Compañía Eléctrica El Platanal S.A.	2020 – 2024
Celepsa Renovables S.R.L.	2019 – 2024
Termochilca S.A.C.	2017 – 2024
Generación Eléctrica Atocongo S.A.	2020 – 2024
Unión de Concreteras S.A.	2020 – 2024
Inversiones en Concreto y Afines S.A.	2020 – 2024
Prefabricados Andinos Perú S.A.C.	2020 – 2024
Digicem S.A.	2020 – 2024
Depósito Aduanero Conchán S.A.	2020 – 2024
Inversiones Imbabura S.A.	2020 – 2024
Inversiones Nacionales y Multinacionales Andinas S.A.	2020 – 2024
ARPL tecnología Industrial S.A.	2020 – 2024
Vigilancia Andina S.A.	2020 – 2024
Entrepisos Lima S.A.C.	2020 – 2024
Ecuador	
UNACEM Ecuador S.A.	2021-2024
Chile	
Prefabricados Andinos S.A.	2021-2024
UNACEM Chile S.A.	2021-2024
Inversiones MEL20 Limitada	2021-2024
UNICON Chile S.A.	2021-2024
Colombia	
Prefabricados Andinos Colombia S.A.S.	2019-2024
United States	2020-2024

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 Group. Therefore, any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are determined. It is the opinion of management and its legal advisors that any possible additional settlement of taxes would not be significant for the consolidated financial statements as of December 31, 2024 and 2023.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

- (d) As of December 31, 2024 and 2023, tax loss carryforwards of subsidiaries are as follows:

<i>In thousands of soles</i>	2024	2023
UNACEM North America, Inc. and Subsidiaries (i)	1,277,795	1,378,316
UNACEM Chile S.A. (iii)	208,764	190,466
Compañía Eléctrica El Platanal S.A. and Subsidiaries (ii)	208,128	202,472
Prefabricados Andinos S.A. – PREANSA Chile (iii)	52,516	58,009
Digicem S.A. (ii)	34,389	15,571
UNICON Chile S.A. (iii)	30,333	23,954
Inversiones MEL 20 Limitada (iii)	25,359	28,012
Prefabricados Andinos Perú S.A.C. – PREANSA Perú (ii)	12,877	15,122
Prefabricados Andinos Colombia S.A.S (iii)	4,747	10,152
Generación Eléctrica de Atocongo S.A. (ii)	649	998
Depósito Aduanero Conchán S.A. (ii)	592	904
Inversiones Nacionales y Multinacionales Andinas S.A. (ii)	336	2,749
Other subsidiaries (ii)	714	1,389

- (i) The tax loss carryforwards of subsidiaries domiciled in the United States amount to US\$ 340,020,000 (equivalent to S/ 1,278,000,000). These losses will begin to expire on August 31, 2025 and December 31, 2042. Likewise, from profit or loss of 2018 onwards, the federal loss of approximately US\$ 99,061,000 (equivalent to S/ 371,975,000) does not expire.
- (ii) Management of each subsidiary domiciled in Peru with tax loss carryforwards chose the option to offset tax losses up to 50% of the taxable profits generated in each year, indefinitely, as well as the option to offset tax losses within four years from the date in which they are generated.
- (iii) The tax loss carryforwards of subsidiaries domiciled in Chile and Colombia will be offset against the future taxable profits of subsidiaries in accordance with applicable tax laws.
- (e) As of December 31, 2024 and 2023, the balance payable and receivable, net of income tax, amounts to S/ 4,893,000 and S/ 33,745,000, respectively.

D. Contingencies

In the normal course of business, the Group had various tax, legal (labor and administrative) and regulatory claims, which are recognized and disclosed in accordance with IFRSs (note 5.xx).

Peru

i. Tax assessments

As a result of the tax assessments, the Group received various resolutions related to alleged failure to meet tax payments from the Tax Authorities. In some cases, the Group filed claims before higher courts since it did not consider that such resolutions are compliance with the laws and, in others, it paid the objections under protest.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

In June 2024, the Company made a payment under protest of S/ 52,109,000 for income tax of the year 2010, which was recognized as expense in the consolidated statement of profit or loss (notes 9, 21(a) and 29); such process is currently before the corresponding authorities, which, in December 2024, granted a precautionary measure in favor of the Company, ordering Tax Authorities (SUNAT) to refund the full amount collected. As a counter-guarantee, the Company was required to submit a joint and several letter of guarantee in favor of SUNAT (note 34.A(ii)). At the date, SUNAT has not fulfilled the mandatory injunction.

The tax proceedings are related to:

UNACEM Corp. S.A.A.

- Income tax for the years 2004, 2005 and 2009
- Contribution to the retirement fund for mining, metallurgical and steel workers for the years from 2013 to 2017.
- Mining royalties of Cementos Lima S.A.A. for the years 2008 and 2009.
- Mining royalties of Cementos Lima S.A.A. for the year 2008.

As of December 31, 2024 and 2023, UNACEM has accounts receivable from such tax proceedings (note 9(d)). It is the opinion of management and its legal advisors that the Company will obtain a favorable outcome.

E. Mining royalties

Peru

In accordance with the law and Regulation on Royalties Metallic and Non-metallic Minerals effective from October 1, 2011, mining royalties for holders of mining concessions (metallic and non-metallic mineral resources) shall be quarterly settled. In determining mining royalties, the Group uses the higher of: (i) the amount obtained by applying a marginal step rate to the quarterly operating profit adjusted for certain items; and (ii) 1% of net quarter sales. These amounts shall be determined based on the Group's consolidated financial statements prepared under IFRS. Payments of mining royalties are deductible for determining income tax of the year in which payments are made.

The mining royalties paid to the Peruvian government for the years 2024 and 2023 amounts to approximately S/ 4,140,000 and S/ 4,902,000, respectively. They are recognized in the consolidated statement of profit or loss (note 21(a)).

Ecuador

In accordance with the Mining Law of Ecuador, holders of mining concessions (non-metallic mineral resources) in the exploitation phase are required to make royalty payments to the Ecuadorian State, based on a royalty rate on the amount of minerals produced at a mine. They are settled on a semiannual basis.

For the years 2024 and 2023, UNACEM Ecuador S.A. made royalty payments to the Ecuadorian State for US\$ 803,000 (equivalent to S/ 3,016,000) and US\$ 931,000 (equivalent to S/ 3,477,000), respectively. They are recognized in the consolidated statement of profit or loss (note 25).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

F. Environmental commitments

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

i. Industrial sector

Peru

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.

UNACEM Perú 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. As of December 31, 2024, the investment related to the implementation of the environmental management plan in the cement production phase amounts to US\$ 589,430 (2023: US\$ 547,794). The assessment and the updating of the investment are performed annually.

On the other hand, in 2024 and 2023, UNICON Perú made investments for S/ 777,000 and S/ 691,000, respectively, to implement environmental protection programs.

ii. Mining and port sectors

Peru

The Company prepared environmental impact assessments related to its mining activities (non-metallic mineral resources). It has complied with the assessments 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

As of December 31, 2024 and 2023, the provision for closure of quarries amounts to S/ 28,515,000 and S/ 29,348,000, respectively. It is presented in 'provisions' in the consolidated statement of financial position (note 20(c)). The Group considers that this liability is sufficient to meet the applicable environmental laws approved by the Ministry of Energy and Mines. The Group is updating its quarry closure plan of main mines, in accordance with the applicable law.

Ecuador

The subsidiaries are governed by the Environmental Management Act and the Environmental Regulation on Mining Activities.

As of December 31, 2024 and 2023, the provision for environmental rehabilitation amounts to S/ 2,291,000 and S/ 2,485,000, respectively. It is presented in 'provisions' in the consolidated statement of financial position (note 20(c)).

Chile

The subsidiaries are governed by the Environmental Restoration Law.

As of December 31, 2024 and 2023, the provision for the costs of dismantling the plants amounts to S/ 1,675,000 and S/ 1,359,000, respectively. It is presented in 'provisions' in the consolidated statement of financial position (note 20(c)).

United States

The subsidiaries are governed by the Surface Mining and Reclamation Act, which is applicable for the state of California.

As of December 31, 2024 and 2023, the provision for closure of quarries amounts to approximately S/ 38,416,000 and S/ 43,065,000, respectively. It is presented in 'provisions' in the consolidated statement of financial position (note 20(c)).

iii. Environmental protection in the electricity-related activities

According to Law 25844 "Electric Concessions Law" and its Regulations, Supreme Decree 009-93-EM, the Peruvian government designs and applies the policies and regulations necessary for the proper protection of the environment and cultural heritage of Peru, as well as ensures the proper usage of natural resources in developing electricity-related activities and hydrocarbon-related activities. Accordingly, MINEM approved the "Regulation on Environmental Protection in the Electricity-related Activities" (approved by Supreme Decree 014-2019-EM), and the "Regulation on Environmental Protection in the Hydrocarbon-related Activities" (approved by Supreme Decree 039-2014-EM).

In management's opinion, Compañía Eléctrica El Platanal S.A., Celepsa Renovables S.R.L. and Termochilca S.A.C. comply with the environmental laws.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

35. Financial Risk Management

The Group 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 Group'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 Group'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 that the fair value or future cash flows of financial instruments fluctuates as a result of changes in the market rates. Market risks involve interest rate risk, exchange rate risk, commodity price risk and other price risks. Financial instruments affected by market risk are bank deposits, trade and other accounts receivable, other financial liabilities and hedging instruments.

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

The Company prepared sensitivity analysis based on the assumption that the risk variables (net debt, fixed and variable interest rates of debts and hedging 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 Group's exposure to interest rate risk mainly arises from long-term variable-rate debt instruments.

The Group minimizes this risk by using interest rate swaps (hedging derivative financial instrument), as a hedge of the variability in cash flows attributable to interest rate movements.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the reference interest rate, terms, maturity dates and notional or nominal amounts. Below is a detail of the hedging derivative financial instruments held by the Group.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

Hedging instruments

The Group has three interest rate swaps designated as cash flow hedges and measured at fair value. Hedging instruments are as follows:

<i>In thousands of soles</i>	Currency	Benchmark amount	Maturity date	Variable-rate:	Fixed-rate:	Fair value	
		(000)				2024	2023
Borrower							
Assets							
Citibank N.A.	US\$	50,000	October 2025	3-month SOFR + 2.01%	5.73%	299	1,117
Banco de Crédito e Inversiones (BCI) (Chile)	CLP rate	2,692,424	November 2027	CLP rate + 6.78%	UF rate +3.38%	929	1,035
Bank of Nova Scotia S.A.	US\$	30,000	September 2025	3-month SOFR + 2.86%	5.70%	118	645
						1,346	2,797
Liabilities							
Banco de Crédito e Inversiones (BCI)	US\$	50,000	June 2027	USD-SOFR CME Term 3M	4.455%	1,886	-
Bank of Nova Scotia S.A.	US\$	50,000	June 2027	USD-SOFR CME Term 3M	4.455%	1,887	-
						3,773	

The Group has financial instruments to minimize its exposure to the risk of changes in the interest rates of financial liabilities indicated in note 17(e).

The Group 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 Group are recognized as an adjustment to borrowing costs of the period for hedged loans.

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

In 2024, the Group did not recognize a borrowing cost on hedging instruments (2023: S/ 5,000). The amount in was effectively paid during that period. They are presented in 'borrowing costs' in the consolidated statement of profit or loss (note 31). Furthermore, in 2024, the Group recognized a net gain on hedging instruments for S/ 2,663,000 (2023: S/ 2,693,000) (note 30).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

The effective portion of changes in the fair value of derivatives designated as hedging instruments is recognized in 'assets' or 'liabilities,' and the contra account is net equity. As of December 31, 2024 and 2023, the Group recognized a negative change in the fair value for S/ 5,371,000 and S/ 2,186,000, respectively, in 'unrealized gains and losses' in the consolidated statement of changes in equity. It was recognized net of the effects on income tax.

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 Group's profit before tax would be affected by the effect on variable rate loans, with all other risk variables held constant, as follows:

<i>In thousands of soles</i>	Effects on profit before tax	
	2024	2023
Increase or decrease in basis points		
+10	9,236	9,494
-10	(9,236)	(9,494)

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 Group 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 obtaining finance in foreign currency, especially in U.S dollars.

Management of each entity within the Group monitors this risk through the analysis of macroeconomic factors.

In 2024 and 2023, the Group recognized net exchange gains and losses for S/ 30,390,000 and S/ 4,665,000, respectively. They are presented in 'exchange difference, net' in the consolidated statement of profit or loss.

As of December 31, 2023, the Group has a derivative financial instrument liability corresponding to a "Cross Currency Interest Rate Swap" amounting to S/ 1,539,000 in favor of BBVA Peru, in order to hedge fluctuation risks in exchange rate. The derivative is designated as a financial instrument held for trading.

As of December 31, 2024 and 2023, changes in the fair value are recognized as income or expense. As of December 31, 2024 and 2023, the effects resulted in net finance income for approximately S/ 1,539,000 and S/ 1,714,000, respectively. They are presented in 'finance income' in the consolidated statement of profit or loss (note 30).

As of December 31, 2024 and 2023, the Group recognized borrowing costs, net incurred on hedging instruments for S/ 1,655,000 and S/ 695,000, respectively, which were effectively paid. They are presented in 'borrowing costs' in the consolidated statement of profit or loss (note 31).

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

Sensitivity to exchange rates

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 foreign currency transactions (U.S. dollars) 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 Group's assets and liabilities are held in U.S. dollars. The following table shows the foreign currency assets and liabilities:

<i>In thousands of U.S. dollars</i>	2024	2023
Assets		
Cash and cash equivalents	36,469	21,479
Trade and other accounts receivable	179,392	199,307
	215,861	220,786
Liabilities		
Other financial liabilities	(197,154)	(238,305)
Trade and other accounts payable	(210,725)	(211,006)
	(407,879)	(449,311)
Foreign currency derivatives	-	(414)
Net liability position	(192,018)	(228,939)

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

<i>In thousands of soles</i>	Effects on profit before tax	
	2024	2023
Changes in exchange rates (U.S. dollars)		
%		
+5	(35,747)	(42,591)
+10	(71,495)	(85,182)
-5	35,747	42,591
-10	71,495	85,182

Exposures in other foreign currencies are not significant in relation to the Group's financial position. Consequently, their impact in the sensitivity to exchange rates is found to be not representative.

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 Group 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 consolidated 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.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

Cash and bank deposits

The credit risk of cash at bank is controlled by management in accordance with the Group'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 Group 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 Group'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.

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 consolidated statement of financial position.

As of December 31, 2024 and 2023, 14% of the Group's trade accounts receivable are covered by letters of guarantee and others. As of December 31, 2024 and 2023, the credit history obtained by the Company resulted in an increase in ECLs for S/ 14,634,000 and S/ 9,828,000, respectively (note 9(g)).

Other accounts receivable

Other accounts receivable correspond to outstanding balances for items not related to the Group's main operating activities. As of December 31, 2024 and 2023, other accounts receivable mainly correspond to advances to suppliers, claims to Tax Authorities and third-party claims.

Management periodically monitors the credit risk of such items and assesses debts evidencing an impairment in order to recognize the loss allowance. The aging of other accounts receivable is shown in note 9(h).

C. Liquidity risk

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

The Group's objective is to maintain a balance between continuity and flexibility of financing by using overdrafts in checking accounts and other financial liabilities.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

The cash flow projections approved by management allow obtaining updated cash flow projections to ensure the Group has sufficient cash flow to meet its short, medium and long-term liquidity needs while maintaining a limit for unused credit facilities, so that the Group meets the debt limits or covenants, if applicable, on any credit facilities.

While as of December 31, 2024, the Group presented a negative working capital of S/ 1,133,937,000, 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 Group's financial liabilities based on the undiscounted payments under the contracts:

<i>In thousands of soles</i>	As of December 31, 2024			
	1 - 12 months	1 - 3 years	More than 4 years	Total
Trade and other accounts payable (*)	1,045,612	3,966	156,677	1,206,255
Other financial liabilities				
Amortization of principal	2,279,713	2,770,936	430,769	5,481,418
Cash flows from cash payments from interest	235,282	184,329	70,338	489,949
Lease liabilities				
Amortization of principal	34,310	77,537	152,867	264,714
Cash flows from cash payments from interest	23,593	51,242	99,157	173,992
Total liabilities	3,618,510	3,088,010	909,808	7,616,328

<i>In thousands of soles</i>	As of December 31, 2023			
	1 - 12 months	1 - 3 years	More than 4 years	Total
Trade and other accounts payable (*)	935,041	20,373	159,975	1,115,389
Other financial liabilities				
Amortization of principal	1,686,759	3,131,535	680,382	5,498,676
Cash flows from cash payments from interest	279,296	337,688	153,284	770,268
Lease liabilities				
Amortization of principal	21,821	38,076	85,767	145,664
Cash flows from cash payments from interest	3,346	4,876	5,835	14,057
Total liabilities	2,926,263	3,532,548	1,085,243	7,544,054

(*) As of December 31, 2024 and 2023, it does not include customer advances, taxes, contributions, social security contributions and sales tax for S/ 92,881,000 and S/ 84,905,000, respectively.

D. Capital management

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

The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt in order to maintain or adjust its capital structure.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

In accordance with the industry, the Group 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 consolidated statement of financial position, plus net debt.

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Other financial liabilities	17	5,481,418	5,498,676
Trade and other accounts payable (*)	18	1,232,339	1,149,052
Less: Cash and cash equivalents	8	(360,258)	(401,275)
Net debt (a)		6,353,499	6,246,453
Net equity		6,057,818	5,910,865
Net debt and total equity (b)		12,411,317	12,157,318
Debt-to-equity ratio (a/b)		0.512	0.514

(*) As of December 31, 2024 and 2023, it excludes customer advances for S/ 66,797,000 and S/ 51,242,000, respectively.

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

36. Fair Value

A. Financial instruments measured at fair value using the 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.

<i>In thousands of soles</i>	Level 2	Total
December 31, 2024		
Financial assets		
Hedging instruments	1,346	1,346
Financial liabilities		
Hedging instruments	(3,773)	(3,773)
Total financial liabilities, net	(2,427)	(2,427)
December 31, 2023		
Financial assets		
Hedging instruments	2,797	2,797
Financial liabilities		
Hedging instruments	(1,539)	(1,539)
Total financial assets, net	1,258	1,258

Fair value of financial instruments measured at amortized cost

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.
- Accounts receivable are net of loss allowance, and have current maturities. 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.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

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:

<i>In thousands of soles</i>	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Other financial liabilities (*)	3,930,027	4,086,538	4,888,358	4,992,509
	3,930,027	4,086,538	4,888,358	4,992,509

(*) As of December 31, 2024 and 2023, it does not include promissory notes and overdrafts (note 17).

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

37. Changes in Liabilities from Financing Activities

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

	Balance as of		New bank		New	Effects of exchange			Balance as of
<i>In thousands of soles</i>	January 1, 2024	Cash flows	loans	Dividends declared	leases	difference and translation	Treasury shares	Others	December 31, 2024
Overdrafts	421	(165,393)	178,533	-	-	-	-	-	13,561
Promissory notes	609,897	(1,126,276)	2,044,920	-	-	9,849	-	(560)	1,537,830
Bank loans, finance leases and corporate bonds	4,888,358	(1,636,768)	639,705	-	63,104	26,363	-	(50,735)	3,930,027
Dividends payable	19,385	(149,471)	-	153,821	-	-	-	(145)	23,590
Lease liabilities	145,664	(43,225)	-	-	146,147	2,448	-	13,680	264,714
Acquisition of treasury shares	(22,948)	-	-	-	-	-	(179,919)	194,527	(8,340)
Acquisition of non-controlling interests	-	(3,919)	-	-	-	-	-	-	(3,919)
Capital contribution	-	3,807	-	-	-	-	-	-	3,807
Total liabilities from financing activities	5,640,777	(3,121,245)	2,863,158	153,821	209,251	38,660	(179,919)	156,767	5,761,270

	Balance as of		New bank	Dividends	New	Effects of exchange	Acquisition of non-		Acquisition of		Balance as of
<i>In thousands of soles</i>	January 1, 2023	Cash flows	loans	declared	leases	difference and translation	controlling interests	Treasury shares	subsidiaries (note 1.B)	Others	December 31, 2023
Overdrafts	38,561	(103,193)	66,221	-	-	(1,168)	-	-	-	-	421
Promissory notes	409,991	(1,245,514)	1,452,170	-	-	(6,638)	-	-	-	(112)	609,897
Bank loans, finance leases and corporate bonds	3,287,326	(647,507)	2,230,800	-	49,590	(38,286)	-	-	-	6,435	4,888,358
Dividends payable	15,801	(175,543)	-	179,389	-	-	-	-	-	(262)	19,385
Lease liabilities	22,245	(20,950)	-	-	18,333	838	-	-	122,481	2,717	145,664
Acquisition of treasury shares	(23,530)	-	-	-	-	-	-	(64,434)	-	65,016	(22,948)
Acquisition of non-controlling interests	6,208	(24,701)	-	-	-	(187)	18,680	-	-	-	-
Total liabilities from financing activities	3,756,602	(2,217,408)	3,749,191	179,389	67,923	(45,441)	18,680	(64,434)	122,481	73,794	5,640,777

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

38. Segment Information

For management purposes, the Group's business activities are organized on the basis of products and services. Accordingly, it identified three operating segments:

- Production and sale of cement
- Production and sale of concrete
- Generation and sale of electric power from water resources

The Group did not include other operating segments other than those described above.

Management of each subsidiary reviews the operating results to make decisions about resources to be allocated to the segment and assess its performance.

The performance of the operating segments is assessed based on profit or loss and is measured using segment profit or loss in the consolidated financial statements.

The inter-segment transfer pricing with independent parties is agreed similarly to the pricing agreed with third parties.

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

The following table shows financial information as of December 31, 2024 and 2023 by reportable segment, net of eliminations:

	As of December 31, 2024						
					Total operating segments	Adjustments and eliminations	Consolidation
<i>In thousands of soles</i>	Cement	Concrete	Electrical energy	Others			
Revenue							
External customers	3,517,761	2,633,283	683,928	20,025	6,854,997	-	6,854,997
Intersegments	487,080	106,800	99,379	613,456	1,306,715	(1,306,715)	-
Total revenue	4,004,841	2,740,083	783,307	633,481	8,161,712	(1,306,715)	6,854,997
Gross profit	1,245,411	306,121	194,076	539,023	2,284,631	(488,474)	1,796,157
Operating income (expenses)							
Administrative expenses	(283,017)	(100,809)	(29,844)	(162,134)	(575,804)	51,552	(524,252)
Selling expenses	(74,482)	(40,145)	(15,935)	(8,456)	(139,018)	-	(139,018)
Other income (expenses), net	(111,726)	(35,242)	6,663	(62,687)	(202,992)	158,872	(44,120)
Operating profit	776,186	129,925	154,960	305,746	1,366,817	(278,050)	1,088,767
Other income (expenses)							
Net interests in associates	-	8,182	(2,539)	368	6,011	8,212	14,223
Financial income	8,684	2,377	19,890	9,824	40,775	(6,004)	34,771
Borrowing costs	(138,333)	(23,713)	(53,853)	(209,686)	(425,585)	6,004	(419,581)
Exchange difference, net	(20,033)	(2,193)	(9,650)	1,486	(30,390)	-	(30,390)
Profit before tax	626,504	114,578	108,808	107,738	957,628	(269,838)	687,790
Income tax.	(202,668)	16,135	(27,333)	1,651	(212,215)	(5,900)	(218,115)
Net profit by operating segment	423,836	130,713	81,475	109,389	745,413	(275,738)	469,675
Profit before tax by operating segment	756,153	127,732	145,310	299,020	1,328,215	(640,425)	687,790
Operating assets	9,863,261	1,676,149	2,037,988	424,858	14,002,256	-	14,002,256
Operating liabilities	4,862,312	756,598	1,158,637	1,166,891	7,944,438	-	7,944,438

(Translation of Financial Statements originally issued in Spanish)

UNACEM Corp S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023

<i>In thousands of soles</i>	As of December 31, 2023						
	Cement	Concrete	Electrical energy	Others	Total operating segments	Adjustments and eliminations	Consolidation
Revenue							
External customers	3,248,433	2,436,360	672,997	18,484	6,376,274	-	6,376,274
Intersegments	442,195	95,156	104,352	620,647	1,262,350	(1,262,350)	-
Total revenue	3,690,628	2,531,516	777,349	639,131	7,638,624	(1,262,350)	6,376,274
Gross profit	1,117,879	279,709	137,983	552,180	2,087,751	(505,360)	1,582,391
Operating income (expenses)							
Administrative expenses	(251,863)	(98,188)	(32,892)	(135,062)	(518,005)	37,548	(480,457)
Selling expenses	(73,167)	(28,944)	(8,947)	(4,140)	(115,198)	-	(115,198)
Other income (expenses), net	(95,013)	(17,867)	(121)	(34,785)	(147,786)	154,354	6,568
Operating profit	697,836	134,710	96,023	378,193	1,306,762	(313,458)	993,304
Other income (expenses)							
Net interests in associates	-	4,814	-	259	5,073	7,039	12,112
Financial income	13,166	2,374	3,364	14,766	33,670	(16,848)	16,822
Borrowing costs	(128,974)	(25,715)	(39,103)	(97,827)	(291,619)	16,848	(274,771)
Exchange difference, net	7,005	(2,197)	2,088	(2,231)	4,665	-	4,665
Profit before tax	589,033	113,986	62,372	293,160	1,058,551	(306,419)	752,132
Income tax	(181,913)	2,611	(29,849)	(17,861)	(227,012)	(2,347)	(229,359)
Net profit by operating segment	407,120	116,597	32,523	275,299	831,539	(308,766)	522,773
Profit before tax by operating segment	704,841	132,513	98,111	368,923	1,304,388	(552,256)	752,132
Operating assets	9,729,999	1,551,250	2,004,928	409,477	13,695,654	-	13,695,654
Operating liabilities	4,880,499	683,274	1,061,939	1,159,077	7,784,789	-	7,784,789

UNACEM Corp S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
As of December 31, 2024 and 2023

Eliminations and reconciliation

The financial income and borrowing costs and gains and losses from changes in the fair value of financial assets are not allocated to separate segments, since the underlying instruments are managed centrally.

The current and deferred tax assets and liabilities and certain financial assets and liabilities are not allocated to the segments since they are also managed centrally.

<i>In thousands of soles</i>	2024	2023
Reconciliation of profit or loss		
Profit before tax by operating segment before adjustments and eliminations	1,328,215	1,304,388
Financial Income	34,771	16,822
Borrowing costs	(419,581)	(274,771)
Net interests in associates	14,223	12,112
Eliminations of related party transactions	(269,838)	(306,419)
Profit before tax by operating segment	687,790	752,132

Geographical information

The Group reports geographical information on revenue from external customers and non-current assets as follows:

<i>In thousands of soles</i>	2024	2023
Revenue from customers		
Peru	4,238,409	4,216,158
United States	1,464,390	1,081,826
Ecuador	627,949	603,129
Chile	483,464	456,664
Colombia	40,785	18,497
Total revenue under consolidated statement of profit or loss	6,854,997	6,376,274
Non-current assets		
Peru	7,576,319	7,256,095
United States	2,878,076	2,792,335
Ecuador	843,979	839,131
Chile	241,248	300,404
Colombia	23,677	27,781
Total non-current assets under consolidated statement of financial position	11,563,299	11,215,746

39. Subsequent Events

According to the Company's management opinion, between January 1, 2025 and the date of issuance of these consolidated financial statements, no significant events or facts have occurred that would require disclosure in the consolidated financial statements as of December 31, 2024.