# 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 ISUED IN SPANISH)

UNACEM Corp S.A.A. and Subsidiaries

# Consolidated Financial Statements

As of December 31, 2024 and 2023

Contents

*(Translation of Financial Statements originally issued in Spanish)*



| *In thousands of soles* | *Note* | 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** |

| *In thousands of soles* | *Note* | 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 | *23* | | |
| Issued capital | | 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

| *In thousands of soles* | *Note* | 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

| *In thousands of soles* | *Note* | 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

| | | Attributable to owners of the Parent Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *In thousands of soles* | *Note* | 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 | Non-controlling interests (Note 22(a)) | Total net equity |
| 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

| *In thousands of soles* | *Note* | 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(ii)* | (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.*

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

| *In thousands of soles* | *Note* | 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/ 143,151,000) to be paid in May 2028 (note 18).

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:

| *In thousands of soles* | *Note* | 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.

## 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*

(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).

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 Platanal 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.

(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."

*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).

*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.

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.

### 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.

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.

*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.

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.

*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).

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 off them, and management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

*Hedging instruments and hedge accounting (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.

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 actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

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

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the 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.

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.

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.

*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.

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.

*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.

*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.

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.

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.

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.

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.

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.

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.

*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 recognize 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.

*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.

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

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

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

Management is assessing the impact of these standards and interpretations over the Company's 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:

| *In thousands of soles* | 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.

## 9. Trade and Other Accounts Receivable

This caption comprises the following:

| | | Current | | Non-current | |
|---|---|---|---|---|---|
| *In thousands of soles* | *Note* | 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.

Movement in Claims to Tax Authorities is as follows:

| *In thousands of soles* | 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:

| *In thousands of soles* | *Note* | 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.

(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:

| | Total | Neither past due nor impaired | Past due but not impaired | | | | 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:

| *In thousands of soles* | 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:

| *In thousands of soles* | *Note* | 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.

## 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'.

## 12. Investments in Associates

This caption comprises the following:

| | Number of shares | | Interests (%) | | Carrying amount | |
|---|---|---|---|---|---|---|
| *In thousands of soles* | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Sika MBCC Perú S.A. | 209,520 | 209520 | 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:

| *In thousands of soles* | 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:

| | 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. | |
|---|---|---|---|---|---|---|---|---|---|---|
| *In thousands of soles* | 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 |

(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:

| *In thousands of soles* | *Note* | 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** |

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

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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.

## 14. Mining Concessions and Property, Plant and Equipment

This caption comprises the following:

| *In thousands of soles* | *Note* | 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 |

(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 i) 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).

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/ 4,404,000, 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.

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.'

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:

| *In thousands of soles* | *Note* | 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%).

(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:

| *In thousands of soles* | 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:

| *In thousands of soles* | *Note* | 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.

## 16. Intangible Assets

This caption comprises the following:

| *In thousands of soles* | *Note* | 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 |

(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:

| *In thousands of soles* | Category | *Note* | 2024 | 2023 |
|---|---|---|---|---|
| CGU | | | | |
| UNACEM Ecuador S.A. Concremax S.A., SAG Concreto | Cement/Concrete – Ecuador | | 1,025,529 | 1,025,529 |
| 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.

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 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** |

## 17. Other Financial Liabilities

This caption comprises the following:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| *In thousands of soles* | 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 between4.94% 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:

| *In thousands of soles* | 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).

(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:

| *In thousands of soles* | 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.

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

| *In thousands of soles* | 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 state 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 |
| Consorcio 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 |

(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.

*(*) Reserves 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.

*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.*

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).

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

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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** |

(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:

| *In thousands of soles* | 2024 | 2023 |
|---|---|---|
| Cement and clinker | 11,767 | 7,110 |
| Others | 2,104 | 487 |
| | **13,871** | **7,597** |

## 20. Provisions

This caption comprises the following:

| | Current | | Non-current | |
|---|---|---|---|---|
| *In thousands of soles* | 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.

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:

| *In percentages* | 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.

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.

## 21. Income Tax

Movement in the deferred tax liabilities is as follows:

| *In thousands of soles* | *Note* | As of January 1, 2023 | Effects on consolidated statement of profit or loss | Effects of translation | Debit to other comprehensive 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 comprehensive income | Others | Balance as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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)** |

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:

| *In thousands of soles* | *Note* | 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:

| | Deferred assets, net | | Deferred liabilities, net | |
|---|---|---|---|---|
| *In thousands of soles* | 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** |

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

| *In thousands of soles* | 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.*

## 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| *In thousands of soles* | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 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).

## 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.

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*

| *In thousands of soles* | 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*

| *In thousands of soles* | 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).

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:

| *In thousands of soles* | 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:

| *In thousands of soles* | 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** |

## 25. Cost of Sales

This caption comprises the following:

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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** |

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

## 28. Personnel Expenses

This caption comprises the following:

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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** |

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 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** |

## 32. Related Party Transactions

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

| *In thousands of soles* | *Note* | 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:

| *In thousands of soles* | *Note* | 2024 | 2023 |
|---|---|---|---|
| Accounts receivable | *9* | | |
| 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 | *18* | | |
| 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.

## 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.

| *In thousands of* | Outstanding shares | Basic earnings for the weighted average | Number of days in the periods | Weighted average number of ordinary shares |
|---|---|---|---|---|
| **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 |

| *In thousands of* | Outstanding shares | Basic earnings for the weighted average | Number of days in the periods | Weighted average number of ordinary shares |
|---|---|---|---|---|
| **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.

- 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 ENTREPISOS 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.

- 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).

*(ii) The Group has the following letters of credit:*

- A joint and several guarantee 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)).

### *(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 | |
|---|---|---|---|---|
| *In thousands of soles* | Minimum lease payments | Present value of lease payments | Minimum lease payments | Present value of lease payments |
| 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:

| | Tax rates | |
|---|---|---|
| In percentages | 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.

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.

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

| *In thousands of soles* | 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$ 124,254,000 (equivalent to S/ 460,361,000) 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.

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(i)). 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).

## 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.

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.

## 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 analyses 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.

*Hedging instruments*

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

| *In thousands of soles* | Currency | Benchmark amount (000) | Maturity date | Variable-rate: | Fixed-rate: | Fair value 2024 | Fair value 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).

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:

| | Effects on profit before tax | |
|---|---|---|
| *In thousands of soles* | 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).

*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:

| *In thousands of U.S. dollars* | 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:

| | Effects on profit before tax | |
|---|---|---|
| *In thousands of soles* | **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.

*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.

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:

| | As of December 31, 2024 | | | |
|---|---|---|---|---|
| *In thousands of soles* | 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** |

| | As of December 31, 2023 | | | |
|---|---|---|---|---|
| *In thousands of soles* | 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.

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.

| *In thousands of soles* | *Note* | 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.

| *In thousands of soles* | 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.

### *Level 2*

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

| | 2024 | | 2023 | |
|---|---|---|---|---|
| *In thousands of soles* | Carrying amount | Fair value | Carrying amount | Fair value |
| 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).*

## 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:

| *In thousands of soles* | Balance as of January 1, 2024 | Cash flows | New bank loans | Dividends declared | New leases | Effects of exchange difference and translation | Treasury shares | Others | Balance as of 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** |

| *In thousands of soles* | Balance as of January 1, 2023 | Cash flows | New bank loans | Dividends declared | New leases | Effects of exchange difference and translation | Acquisition of non-controlling interests | Treasury shares | Acquisition of subsidiaries (note 1.B) | Others | Balance as of 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** |

## 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.

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

| | As of December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| *In thousands of soles* | Cement | Concrete | Electrical energy | Others | Total operating segments | Adjustments and eliminations | Consolidation |
| **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 |

| | As of December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| *In thousands of soles* | 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** |

*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.

| *In thousands of soles* | 2024 | 2023 |
|---|---|---|
| **Reconciliation of profit or loss** | | |
| **Profit before tax by operating segment before adjustments and eliminations** | **1,328,215** | **1,304,388** |
| Financi ialncome | 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:

| *In thousands of soles* | 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.