INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

InterCement

Building sustainable partnerships

São Paulo Corporate Towers
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Independent auditor's report on the consolidated financial statements

To
the Shareholders, Board of Directors and Management of
InterCement Participações S.A.
São Paulo - SP

Qualified opinion

We have audited the consolidated financial statements of InterCement Participações S.A. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statements of profit or loss, of comprehensive income (loss), of changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including the main accounting policies and other explanatory notes.
In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" section below, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of InterCement Participações S.A. as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for qualified opinion

As mentioned in note 16, the Company's subsidiary InterCement Brasil S.A. has recorded deferred tax assets and social contribution in the amount of US$146,036 thousand, as of December 31, 2023, arising from tax losses generated in previous years, and temporary differences, substantially related to impairment loss provisions on non-financial operational assets, to be offset against future taxable profits. Due to the matter described in the "Material uncertainty related to going concern" section below, it was not possible to conclude on the realization of the referred assets, as required by Technical Pronouncement CPC 32 (IAS 12) – Income Taxes. Consequently, the non-current assets and the shareholder's equity on this date, are overstated in the amount of US$146,036 thousand, the loss for the period is understated in the same amount, and the loss per share is understated in the amount of US$2.76.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the *Code of Professional Ethics for Accountants* (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Brazil, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements for the year ended December 31, 2023, which indicates the Company incurred in losses from continuing and discontinued operations of US$214,842 thousand and US$32,909 thousand, respectively, and current liabilities exceeded total current assets in the amount of US$758,234 thousand. As presented in note 1, these events or conditions, together with other matters described in note 1, indicate the existence of material uncertainty that may raise significant doubt as to the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

Emphasis of matter - Restatement of the corresponding financial information

As mentioned in note 2.24, as a result of the sale of Company's segments in South Africa and Mozambique, which was concluded on December 27, 2023, the consolidated financial statements of InterCement Participações S.A. as of December 31, 2022, presented for comparison purposes, have been adjusted and are being restated to present these segments as Discontinued Operations, as required by International Financial Reporting Standard 5 ("IFRS 5") – Non-Current Assets Held for Sale and Discontinued Operating Units. Our conclusion does not contain any modification in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the sections "*Basis for qualified opinion"* and "*Material uncertainty related to going concern"*, we have determined that the following matters described below are the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<u>Goodwill impairment test</u>

As of December 31, 2023, as described in Note 8, the Company has recorded goodwill of US$767,590 thousand, generated in business combinations from prior years, representing 28% of total assets, on that date. At least once a year, the Company performs impairment test of goodwill, based on estimates of future profitability that take in consideration the business plans and annual budget, adopted by management. The methodology and modeling used to determine the recoverable value of this asset, which was based on the Company's discounted cash flows of each cash-generating unit, refer to estimates that include subjective assumptions that were used by Management and involve a high degree of judgment, information and expected market and economic conditions, as well as determination of discount rates, country risks and company specific risk premiums (at the component levels), among others. In addition, due to the going concern assessment, the Company also performed a corroborative impairment test comparing the potential transaction values with the carrying amounts of each cash-generating unit.

The monitoring of this matter was considered significant for our audit due to the relevance of the amounts involved in relation to the total assets and the potential risks to the Company's profit and loss for the year, in the event of identification of impairment of this asset, in addition to the uncertainties inherent to the determination of the estimate of expected recovery values, given the use of market information and a high degree of judgment exercised by management, in determining the assumptions on the different impairment models. A change in any of these assumptions may have a significant impact on the Company's consolidated financial statements.

How our audit conducted this matter

Our audit procedures included, but were not limited to, the involvement of valuation specialists to assist the audit team in the analysis and review of the methodologies and models used by management, evaluation of the assumptions that supported the projections that determined the business plan, budget, technical studies and analyzes of the recoverable amount of the Company's asset related to each cash-generating unit. Our procedures also included an evaluation of the reasonableness and consistency of the data and assumptions used in the preparation of such models, including discount rates, country risk, company specific risk premiums and cash flow projections, among others, as provided by Company's management, and we also analyzed corresponding accuracy of arithmetic calculations of the models and a retrospective review of the assertiveness of the projections and actual results. We analyzed information that could contradict the most significant assumptions and methodologies selected. We also assessed the corroborative impairment test performed by management that included the potential transaction values of each cash-generating unit, considering a potential divestment.

We then compared the recoverable amounts determined by Company's management, based on the discounted cash flows for each cash-generating unit (value in use) and on the transaction values, with the corresponding carrying amounts, and evaluated the adequacy of the disclosures in Note 8 to the consolidated financial statements as of December 31, 2023.

Based on the results of the auditing procedures performed on the goodwill impairment test, which is consistent with management's assessment, we considered the criteria and assumptions of goodwill impairment test used by management, as well as the respective disclosures in Note 8, are reasonable, in the context of the consolidated financial statements taken as a whole.

<u>Restrictive clauses on borrowings, financing and debentures - "covenants"</u>

As of December 31, 2023, as described in Notes 9 and 10, the Company has recorded borrowings, financing and debentures contracts in the total amount of US$1,669,827 thousand, out of which US$923,677 thousand classified as non-current liabilities, representing 60% and 33%, respectively, of total liabilities and equity on that date. These borrowings, financing and debentures are subject of compliance with annual restrictive covenants, which are calculated using certain financial ratios, as agreed with the creditors. The failure to comply with these covenants may result in the declaration of early maturity of such contracts, as well as other borrowings and financing due to cross default, which would require the Company to pay the respective outstanding amounts immediately on the date of any default, significantly impacting its financial position, reason why we considered the compliance with the referred restrictive clauses as a significant risk to our audit. The Company constantly monitors compliance with the covenants, and when there is a prospect of non-compliance, obtains waivers from the respective financial institutions. Disclosures regarding the restrictive clauses are included in explanatory note 10.

How our audit conducted this matter

Our audit procedures included, among others: (i) reading and understanding the restrictive clauses ("covenants") from such borrowings, financing and debentures, including any new contracts in the current year; (ii) analysis and review of the covenants' computation performed by management; (iii) confirmation of the restrictive clauses through available information from the fiduciary agents; and, (iv) reviewing the waivers obtained by the Company from debenture holders prior to the balance sheet date for those covenants that have not been met. We also assessed the adequacy of the disclosures in Notes 9 and 10 to the consolidated financial statements as of December 31, 2023.

Based on the result of the audit procedures carried out on the covenants compliance, we considered that the criteria and premises adopted by management, as well as the respective disclosures in Notes 9 and 10, including information about the waivers received, are reasonable, in the context of the consolidated financial statements taken as a whole.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including significant deficiencies in internal control that we may have identified during our audit.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, April 10, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Cezar Augusto Ansoain de Freitas
Accountant CRC SP-246234/O

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated statements of financial position as of December 31, 2023 and 2022

(In thousands of U.S. Dollars – US$)

ASSETS	Notes	12.31.2023	12.31.2022
CURRENT ASSETS			
Cash and cash equivalents	3	361,406	218,871
Trade receivables	5	55,110	64,233
Inventories	6	165,544	230,306
Recoverable taxes		31,230	51,106
Other receivables		26,929	29,957
Total current assets		640,219	594,473
Assets classified as held for sale	2.24	3,207	180,512
Total current assets		643,426	774,985
NONCURRENT ASSETS			
Securities	4	8,940	7,403
Trade receivables	5	526	707
Inventories	6	34,991	53,490
Recoverable taxes		8,653	28,661
Deferred income tax and social contribution	16	77,459	95,315
Judicial deposits		17,155	16,284
Derivatives	24.10	298	1,567
Other assets and receivables		12,328	20,348
Right-of-use assets	14	56,002	28,843
Property, plant and equipment	7	1,057,974	1,457,837
Intangible assets:			
Goodwill	8	767,590	837,725
Other intangible assets	8	91,947	98,483
Total noncurrent assets		2,133,863	2,646,663
TOTAL ASSETS		2,777,289	3,421,648

LIABILITIES AND EQUITY	Notes	12.31.2023	12.31.2022
CURRENT LIABILITIES			
Trade payables		191,561	224,893
Obligations from confirming		2,580	71,271
Debentures	10	902,188	156,446
Borrowings and financing	9	21,489	106,094
Interest payable	9 and 10	160,191	31,915
Leases liabilities	14	13,674	11,151
Taxes payable		33,329	47,707
Payroll and related taxes		25,410	45,146
Advances from customers		8,154	12,195
Other payables		39,877	23,714
		1,398,453	730,532
Liabilities directly associated with assets classified as held for sale	2.24	-	140,512
Total current liabilities		1,398,453	871,044
NONCURRENT LIABILITIES			
Debentures	10	739,612	1,287,027
Borrowings and financing	9	6,538	113,610
Leases liabilities	14	49,035	20,628
Provision for tax, civil and labor risks	11	18,216	19,059
Provision for environmental recovery	12	13,763	14,397
Taxes payable		4,656	6,182
Deferred income tax and social contribution	16	155,775	236,458
Other payables		27,358	30,917
Total noncurrent liabilities		1,014,953	1,728,278
TOTAL LIABILITIES		2,413,406	2,599,322
SHAREHOLDER'S EQUITY			
Capital	15	1,445,943	1,445,943
Capital reserves	15	327,646	588,641
Earnings reserves	15	232,312	232,312
Accumulated loss		-	-
Other comprehensive loss	15	(1,831,069)	(1,797,684)
Equity attributable to the Company's owners		174,832	469,212
Non-controlling interests	15	189,051	353,114
Total equity		363,883	822,326
TOTAL LIABILITIES AND EQUITY		2,777,289	3,421,648

The accompanying notes are an integral part of this consolidated financial statements

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated statements of profit or loss for the years ended December 31, 2023 and 2022

(In thousands of U.S. Dollars - US$, except per earnings (loss) per share expressed in U.S. Dollars)

	Notes	12.31.2023	12.31.2022 (Restated - Note 2.24)
CONTINUING OPERATIONS			
NET SALES	17	1,207,473	1,559,614
COST OF SALES AND SERVICES	18	(970,534)	(1,201,571)
GROSS PROFIT		236,939	358,043
OPERATING INCOME (EXPENSES)			
Selling expenses	18	(54,055)	(72,564)
Administrative expenses	18	(86,615)	(80,253)
Other income/ (expenses)	18	21,187	32,398
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		117,456	237,624
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	19	(161,012)	(134,363)
Financial income	19	184,711	109,726
Financial expenses	19	(326,055)	(365,867)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(184,900)	(152,880)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	16	(5,592)	(29,581)
Deferred	16	(24,350)	(16,802)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(214,842)	(199,263)
DISCONTINUED OPERATIONS			
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.24	(32,909)	(39,256)
LOSS FOR THE PERIOD FROM CONTINUING AND DISCONTINUED OPERATIONS		(247,751)	(238,519)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners		(260,995)	(262,560)
Non-controlling interests		13,244	24,041
LOSS PER SHARE FROM CONTINUING OPERATIONS			
Basic/diluted loss per share	21	(4.59)	(4.22)
LOSS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS			
Basic/diluted loss per share	21	(4.93)	(4.96)

The accompanying notes are an integral part of this consolidated financial statements

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES
Consolidated statements of comprehensive income (loss) for the years ended December 31, 2023 and 2022

(In thousands of U.S. Dollars - US$)

	Notes	12.31.2023	12.31.2022 (Restated - Note 2.24)
CONTINUING OPERATIONS			
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(214,842)	(199,263)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits		(296)	739
Items that might be reclassified subsequently to profit or loss:			
Exchange differences from translation of foreign operations		(6,647,976)	(1,410,265)
Effects of hyperinflationary monetary adjustment	2.1	6,501,891	1,639,487
Derivative and hedging transactions		875	856
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		(360,348)	31,554
DISCONTINUED OPERATIONS			
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.24	(32,909)	(39,256)
Other comprehensive income:			
Items that might be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		31,846	(40,395)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		(1,063)	(79,651)
COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(308,485)	(41,966)
Non-controlling interests		(51,863)	73,520
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(294,380)	(121,829)
Non-controlling interests		(67,031)	73,731

The accompanying notes are an integral part of this consolidated financial statements

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Consolidated statements of changes in shareholders' equity for the years ended December 31, 2023 and 2022

(In thousands of U.S. Dollars - US$)

				Earnings reserves							
	Notes	Share capital	Capital Reserves	Legal	Capital Budget	Transactions with shareholders	Other comprehensive income (loss)	Accumulated profit / (losses)	Total attributable to Company's owners	Non-controlling interests	Total equity
BALANCE AS OF DECEMBER 31, 2021		1,445,943	603,095	13,071	235,036	246,044	(1,938,416)	-	604,773	377,359	982,132
Profit (loss) for the period		-	-	-	-	-	-	(262,561)	(262,561)	24,041	(238,520)
Capital reserve reduction through loss absorption	15	-	(14,454)	-	-	-	-	14,454	-	-	-
Loss absortion throught earnings reserves	15	-	-	(13,071)	(235,036)	-	-	248,107	-	-	-
Other comprehensive income	15	-	-	-	-	-	140,732	-	140,732	49,690	190,422
Transactions with shareholders recorded directly in equity	15	-	-	-	-	(13,732)	-	-	(13,732)	(7,534)	(21,266)
Dividends declared to noncontrolling interests	15	-	-	-	-	-	-	-	-	(90,442)	(90,442)
BALANCE AS OF DECEMBER 31, 2022		1,445,943	588,641	-	-	232,312	(1,797,684)	-	469,212	353,114	822,326
Profit (loss) for the period		-	-	-	-	-	-	(260,995)	(260,995)	13,244	(247,751)
Other comprehensive income	15	-	-	-	-	-	(33,385)	-	(33,385)	(80,275)	(113,660)
Capital reserve reduction through loss absorption	15	-	(28,683)	-	-	(232,312)	-	260,995	-	-	-
Dividends declared and partially paid to noncontrolling interests	15	-	-	-	-	-	-	-	-	(97,032)	(97,032)
BALANCE AS OF DECEMBER 31, 2023		1,445,943	559,958	-	-	-	(1,831,069)	-	174,832	189,051	363,883

The accompanying notes are an integral part of this consolidated financial statements

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Consolidated statements of cash flows for the years ended December 31, 2023 and 2022

(In thousands of U.S. Dollars - US$)

	Notes	12.31.2023	12.31.2022
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before income tax and social contribution		(205,776)	(187,394)
Adjustments to reconcile income before income tax and social contribution with net cash generated by (used in) operating activities:			
Depreciation, amortization and impairment losses	18	142,656	206,651
Recognition (reversal) of expected credit losses, net		56	1,109
Recognition of allowance for inventories, net		636	1,823
Interest, accrued charges, and exchange differences		311,405	445,297
Loss (gain) on sale of long-lived assets	18	(10,040)	(24,324)
Exchange difference from translation of disposed discontinued operations	2.24	31,846	-
Loss on the sale of disposed discontinued operations	2.24	6,570	-
Other noncash operating losses, net		6,670	1,087
Decrease (increase) in operating assets:			
Related parties		(137)	169
Trade receivables		(29,772)	1,898
Inventories		(44,261)	(63,059)
Recoverable taxes		26,946	(7,841)
Other receivables		(7,815)	2,532
Increase (decrease) in operating liabilities:			
Related parties		(143)	(8)
Trade payables		57,388	123,812
Obligations from confirming		(71,937)	(21,518)
Payroll and vacation payable		(1,260)	14,075
Other payables		(3,406)	17,204
Taxes payable		2,390	5,014
Cash generated by operating activities before income tax and interest paid		212,016	516,527
Income tax and social contribution paid		(16,366)	(72,833)
Interest paid		(172,015)	(221,914)
Net cash generated (used) by operating activities		23,635	221,780
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in securities		(933)	22,130
Purchase of property, plant and equipment		(109,564)	(114,171)
Purchase of intangible assets		(8,435)	(6,045)
Sale of fixed and financial assets		10,043	-
Cash received from discontinued operations (Paraguay disinvestment in 2020)		1,500	500
Cash received from sale of property, plant and equipment and discontinued operations (Egypt)	2.4	35,784	-
Cash received from sale of property, plant and equipment and discontinued operations (Africa)	2.4	207,185	33,140
Other		(576)	(1,084)
Net cash generated (used) in investing activities		135,004	(65,530)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures	9 and 10	434,680	416,500
Repayment of borrowings, financing and debentures	9 and 10	(312,160)	(289,570)
Acquisition of noncontrolling interests	15	-	(21,266)
Dividends paid by Argentinian and Brazilian subsidiaries to non-controlling interests		(87,190)	(80,984)
Disbursements due to certains financial instruments liquidations	19	(23,370)	(96,730)
Payment of principal portion of lease liabilities	14	(30,504)	(27,014)
Other instruments		(759)	1,172
Net cash used in financing activities		(19,303)	(97,892)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		139,336	58,358
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		(1,017)	(41,074)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3	223,087	205,803
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	361,406	223,087

The accompanying notes are an integral part of this consolidated financial statements

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Notes to the consolidated financial statements for the year ended December 31, 2023 and 2022

(Amounts in thousands of U.S. Dollars - US$, unless otherwise stated)

1. General Information

InterCement Participações S.A. ("Company" or "ICP") is a privately-held company headquartered in the City of São Paulo, State of São Paulo, Brazil, engaged in holding equity interests and investments abroad, leading a business group operating in 2 countries ("ICP Group" or "Group"). Its ultimate parent company is Mover Participações S.A.. The Group is primarily engaged in the manufacture and sale of cement and cement by-products, in addition to the extraction of the minerals used to manufacture these products.

The Company owns 23 cement plants, 14 concrete plants, and 2 aggregates plants, located in Brazil and Argentina, with an aggregate installed capacity of approximately 29 million tons per year. Additionally, in Brazil it holds participation in hydroelectric power generation equity interests and assets.

As of December 31, 2023, the Company incurred in losses from continuing operations of US$214,842 (losses of US$199,263 in 2022), and negative working capital of US$758,234 (negative in US$136,059 as of December 31, 2022), including the senior notes maturing in July, 2024, in the amount of US$549,526, which eventual default or lack of refinancing of such debt with the bond holders by May, 2024, could result in an early redemption of all of our debentures by the debenture holders. The recent losses and cash constraints are a consequence of: i) a reduction in cement demand which increased the competitive pressure on sales prices; ii) the inflationary pressure on certain costs and expenses that occurred between 2022 and 2023, particularly in respect of pet coke, a relevant raw material, which cost increased significantly in the international market in 2022, with a slight reduction in 2023, having a negative effect on the operational margins and, consequently, on the cash flow; iii) the impact of the substantial increase of the interest rates since 2021, particularly the Selic rate in Brazil, on loans, financing, and debentures, resulting in a notable increase in the debt servicing costs; iv) the payment of financial obligations and dividends, combined with the issuance of new notes in the amount of US$269,983 by the Argentinian subsidiary, Loma Negra, in 2023, with a 18-months period maturity; and, v) the classification as current liabilities of the debentures instalments to be due by December 2024, including the instalments which were due in 2023 and had the due dates extended to May, 2024 upon agreement with our creditors, which increased the basis for the interest accretion of our financial debts - see Note 10 for further information.

Considering the results achieved in the twelve-month period ended on December 31, 2023, as well as the review of the most plausible assumptions utilized in the Company's business plan and budget for 2024, management anticipates the recuperation of the gross margin and an escalation in cash generation in the next months in Brazil. This involves certain already implemented cost containment measures, as well as maintaining our market share, particularly in the most strategic regions of operations. This assessment encompasses, apart from the actions undertaken by the management itself, considerations regarding certain macroeconomic assumptions that lie beyond the Company's purview, such as potential reductions in pet coke costs and the Selic rate, grounded in the most recent market expectations, as well as considerations on the competitive environment. On the other hand, given the macroeconomic context of Argentina, management expects some further contraction of the activity in the country, once public investment in infrastructure projects is suspended and private consumption is impacted by the reduced purchase power of the families.

Management is also continuously engaged in negotiations with Company's creditors to address the Group's current indebtedness. Considering such ongoing negotiations, the Group obtained a waiver from the debenture holders postponing to May, 2024 the payments our instalments (principal and interest) which were due in June 2023 and December 2023, in the amount of US$ 258,649. In due course, the Company is also assessing alternatives to the Senior Notes, which are due in July 2024.

It is important to mention that management is still engaged with the “Liability Management Plan” announced in prior years, which includes divestment actions. In January 2023, the Company concluded the sale of our business in Egypt. In late December 2023, the divestment of the businesses in South Africa and Mozambique was concluded, and the provisional selling price of US$231,563 was received (subject to adjustment considering the corresponding SPA). Considering these sales, the Group can now focus on the more significant businesses (Brazil and Argentina) and on our indebtedness.

Additionally, as mentioned on February 23, 2024, as part of our market announcement to the Company’s stakeholders, the Company and its controlling shareholders engaged BTG Pactual Bank to support the Group evaluation of other strategic alternatives, aimed in addressing our capital structure, which may include a private placement, a merger or a partnership with a strategic player, or even another potential divestment. In this context, a competitive process has been organized and is currently underway. Consequently, offers were and are being received for these strategic alternatives and are under analysis. In this context, alternative cash flows scenarios were built reflecting the different outcomes of the debt restructuring and the potential divestment options that can be materialized in the coming weeks, demonstrating that the current negative working capital situation can be overcome under such plausible scenarios, despite the intrinsic uncertainty associated with any scenario involving multiple stakeholders and creditors. Considering the likelihood of success of the potential scenarios the Group has assessed (some more advanced than the others), including management’s ability (or not) in the determination of the corresponding outcome to support current cash constraints, the consolidated financial statements as of December 31, 2023, were prepared on the basis of a going concern. This position will be revaluated once and every quarter, based on the progression of the strategic alternatives referred to above, including the discussions with Company’s creditors and potential investors.

Disinvestment in Egypt, Mozambique and South Africa business segments

Egypt segment

On January 27, 2023, the Company announced the signing of a definitive agreement to sell all of its operations in Egypt, with immediate transfer of control to the buyer. Such sale was aligned with the Group’s ongoing liability management plan to deleverage the Company and focus on our core markets.

The net proceeds, received in January, 2023, were fully applied to repay existing debts in accordance with the trust deed agreements (see Note 10).

The sale resulted in the need to record an impairment loss on the net investment in the amount of US$12,560 as of December 31, 2022. Additionally, as per IAS 21, the cumulative translation adjustment (CTA), previously presented as “Other comprehensive income”, was reclassified to profit or loss in January 2023 upon the transfer of control to the new shareholder, in the amount of US$43,136 (included in the “Loss for the period from discontinued operations”).

Mozambique and South Africa segments

Furthermore, during the first quarter of 2023 the Group decided to disinvest its operations in Mozambique and South Africa, and contracted external specialists to assist on the sale of such business. On June 27, 2023, the Company reached an agreement with Huaxin Cement Co. Ltd., regarding the sale of the corresponding businesses, collectively, the "African Business", which was concluded definitively in December 2023 upon the receipt of the provisional price of US$231,563. Due to this process, the company does not expect any future obligation or other material impacts.

This sale resulted in a loss of US$6,570. Additionally, as per IAS 21, the positive cumulative translation adjustment (CTA), previously presented as "Other comprehensive income", was reclassified to profit or loss in December 2023 upon the transfer of control to the new shareholder, in the amount of US$11,291. The positive net impact of US$4,721 is included in the "Loss of the year from discontinued operations".

The Company will use the net proceeds from the sale, to repay a portion of its outstanding indebtedness (See Note 1 for further information).

As required by International Financial Reporting Standards 5 ("IFRS 5") Non-Current Assets Held for Sale and Discontinued Operation, the results for the twelve-months period ended December 31, 2023 arising from Egypt, Mozambique and South Africa were presented as "discontinued operations" in the Consolidated Statements of profit of loss as of December 31, 2023. The comparative figures as of December 31, 2022 for Mozambique and South Africa segments are being restated, while Egypt segment was originally presented as restated in the financial statements of 2022 (for further information, see Note 2.24 below).

In respect of the Consolidated statements of financial position, as of December 31, 2022 the Egypt segment was presented as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", (sale initiatives commence in late 2022 and the investment was fully derecognized as of March 31, 2023 upon the sale completion and transfer of control).

Russia x Ukraine conflict

Geopolitical events in Eastern Europe (Russia x Ukraine conflict) brought new challenges for the resilience of world economies, mainly related to inflation pressures and rapidly interest rates increasing across the world.

The Group does not have assets nor any financial and commercial operations with such countries, therefore, the Group was not directly impacted by such conflict. The Cement industry, even under rising inflation and interests increasing, is being resilient and continues to generate cash as expected, while assets fair values were not significantly impacted.

The main impact comes due to higher interest rates, since the Group has loans and debentures with floating rates, mainly Brazilian CDI (Interbank deposit certificates) and, therefore, interest expenses have increased as compared to prior periods. Sensitivity analysis are presented in Note 24.8.

Management continues to closely monitor the consequences and evolution of such events reassesses the net realizable values of financial and non-financial assets on an ongoing basis.

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of presentation

The accompanying consolidated financial statements were prepared on a going concern basis from the books and accounting records of the Company and the companies included in the consolidation prepared in accordance with International Financial Reporting Standards ("IFRS"). Such standards include the IFRS issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the Accounting Standards Committee ("IASC") and the interpretations issued by the IFRS Interpretation Committee ("IFRIC"). These standards and interpretations are hereinafter referred to collectively as "IFRS".

All relevant information in the financial statements is being evidenced and corresponds to that used by the Administration in the conduct of the Company.

The Company's functional currency is the Brazilian real (R$) and the financial statements are presented in U.S. Dollars (presentation currency), for the convenience of stakeholders outside Brazil. As prescribed by IAS 21, paragraph 38 - The Effects of Changes in Foreign Exchange Rates, the Company may present its financial statements in any currency. The selection of U.S. Dollars for presentation currency consider (i) the fact the Brazilian Real presents certain challenges for benchmarking certain business operations; (ii) that world trade reference prices for clinker and cement are denominated in U.S. Dollars, and; (iii) the importance and relevance to our stakeholders to have the financial information presented in U.S. Dollars, which the currency is a benchmark that trades against other major currencies (including Euro, Japanese yen, and British pound).

<u>Note on the accounting practice for the effects of inflation on the financial statements of Loma Negra CIASA.</u>

Inflation levels in Argentina have been high these past years and the inflation rate accumulated over these past three years has exceeded 100% without the expectation of a significant decrease in the short-term. Therefore, such situation had trigged the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies, or IAS 29, applicable to our segment whose functional currency is the Argentine peso. Such adjustments were required to be shown from July 1, 2018 (date at which hyperinflation was identified).

IAS 29 requires that the financial statements recorded in a hyperinflationary currency be adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period. As a result of the above, our consolidated financial statements for the year end December 31, 2023 and 2022 reflect hyperinflation accounting for our Argentinean subsidiaries applying IAS 29 rules.

The impacts of such accounting standard in our consolidated financial statements for the year ended December 31, 2023 were an equity increase of US$6,501,892 (US$1,639,487 as of December 31, 2022), with reference to the opening balance, reported in other comprehensive income (loss), mainly arising from the revaluations of Property, plant and equipment and Intangible assets (Notes 7 and 8) and also the impact of the year presented as financial income, amounting of US$166,624 (US$78,463 as of December 31, 2022) (Note 19).

2.2. New standards and interpretations, revisions and amendments

a) New standards and interpretations came into effect during the year ended December 31, 2023:

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Management evaluated the respective amendments to the pronouncements and concluded that no adjustments were required to the consolidated financial statements for the year ended December 31, 2023 due to the corresponding adoptions (where applicable).

b) New standards and interpretations that will take effect in future years

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard	Effective date	Description
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	January 1st, 2024	In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 1st, 2024	In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied

Standard	Effective date	Description
		retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.
Standards issued but not yet effective continued Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 1st, 2024	In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

2.3. Critical accounting judgements/estimates

The preparation of the consolidated financial statements in accordance with IFRS recognition and measurement principles requires the Board of Directors ("Management") to make judgements, estimates and assumptions that can affect the presented amount of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as of income and expenses.

These estimates are based on the best knowledge existing at each moment and the planned actions, and are regularly reviewed based on the information available. Changes in facts and circumstances can lead to a revision of the estimates and so actual results may differ from these estimates.

The significant estimates and assumptions made by Management in preparing these financial statements include assumptions used in estimating the following items:

• Impairment of non-current assets (excluding Goodwill)

The determination of a potential impairment loss can arise as result from the occurrence of several events, many of them external to the ICP Group, such as macroeconomic conditions, industry and market considerations, cost factors, financial performance or any other changes, either internal or external, to ICP Group.

The identification of impairment indicators and the determination of the assets' recoverable amount, are subject to a Management's judgement referring to the identification and evaluation of the different impairment indicators, cash-generating units, expected cash flows, applicable discount rates, growth rates, useful lives and transaction values.

• Impairment of goodwill

Goodwill is subjected to annual impairment tests or whenever there are indications of a possible loss in value. The recoverable amounts of the cash-generating units to which goodwill has been allocated, is the higher between the market value, determined according with recent transaction multiples, and the value in use, determined according to the expected future discounted cash flows. The calculation of these amounts requires the use by Management of estimates regarding the projections of expected future discounted cash flows and the determination of discount rates considered.

• Accounts receivable allowances for expected credit losses

The expected credit losses associated to accounts receivable is evaluated at the end of each reporting period, taking into consideration the debtor's historical information and his risk profile and the economic environment. The accounts receivable are adjusted by the assessment of the expected credit losses at the reporting periods dates, which might differ from the effective risk to incur.

• Useful lives of intangible and property, plant and equipment.

The useful life of an asset is the time period during which an entity expects that an asset will be available for use and it must be reviewed at least at the end of each year.

The determination of the assets useful lives, amortization/depreciation methods to be applied, residual values and estimated losses resulting from the early replacement of equipment, due to technological obsolescence, is essential to determine the amount of amortization/depreciation charge to the statements of profit or loss of each year.

These parameters are defined according to Management's best estimate, for the assets and businesses in question, also considering the best practices adopted by companies operating in the same business activity.

• Provisions recognition and contingent liabilities disclosure

The Group periodically analyses possible obligations that arise from past events that should be recognized or disclosed. The inherent subjectivity to the determination of the probability and amount of internal resources required to settle the obligations, might lead to significant adjustments, either by the variation of the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities.

• Recognition of deferred tax assets

Deferred tax assets are only recognised when it is probable that there will be sufficient future taxable income to utilise the corresponding deferred tax assets or when there are deferred tax liabilities whose reversal is expected to occur in the same period of the reversal of the deferred tax assets. The carrying amount of deferred tax assets is reviewed by Management at the end of each reporting period, at each jurisdiction.

• Measurement of derivative financial instruments

The measurement of derivative financial instruments involves a number of estimates and assumptions, in particular expectations about interest rate and exchange rates, as well as estimates of the Group's credit risk and the various involved counterparties, which may differ from the original ones.

2.4. Basis for consolidation

a) Controlled entities – Subsidiaries

Subsidiary companies have been consolidated in each accounting period. The Group controls a company when it is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Although the Group generally holds a majority of voting rights in the companies that are controlled, this applies irrespective of the percentage of interest in the share capital if control is obtained through agreements with other shareholders.

Third party participation in shareholders' equity and net profit of such companies is presented separately in the consolidated statements of financial position and consolidated statement of comprehensive income under the caption "Non-controlling interests".

The results of controlled companies acquired or sold during the period are included or excluded in the consolidated statement of comprehensive income from the date of their control is obtained to the date of their control is lost, respectively.

Significant balances and transactions between controlled companies are eliminated in the consolidation process. Capital gains or losses within the Group on the sale of subsidiary and associated companies are also eliminated.

Whenever necessary, adjustments are made to the financial statements of subsidiaries and associated companies to conform to the Group's accounting policies.

b) Business combinations

Business combinations, namely the acquisition of controlled companies are recorded in accordance with the purchase method.

Acquisition cost is determined by the sum of the fair value of the assets given, liabilities and contingent liabilities incurred or assumed and equity instruments issued by the Group in exchange for the assumption of control in the entity acquired. Costs relating to the acquisition are recognized as expenses when incurred. Where applicable, cost includes the fair value of the contingent payments measured as of the date of acquisition. Subsequent changes in the value of the contingent payments or deferred payments, measured in accordance with IFRS 13, are recorded in the statements of operations.

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 - Business Combinations ("IFRS 3"), are measured by their fair value as of the purchase date, except for non-current assets (or groups of assets) that are identified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"), which are recognised and measured by their respective fair values less costs to sell.

Any excess of cost plus the amount of the non-controlling interests over the fair value of the identifiable assets and liabilities acquired as of the purchase date is recorded as Goodwill. Where acquisition cost increased with non-controlling interests is lower than the fair value of the net assets identified, the difference is recorded as a gain in the statements of profit and loss for the period in which the acquisition is made after reconfirmation of the fair value attributed.
If the process for recording combinations of business activities is incomplete at the end of the year in which

the combination occurs, the Group discloses the situation and the amounts provided can be adjusted during the provisional measuring period (the period between the date of acquisition and the date the Group obtains complete information on the facts and circumstances that existed as of the date of acquisition, up to a maximum of 12 months).

Non-controlling interests are reflected separately in equity from the interests of the shareholders. Non-controlling interests can initially be measured at their fair value or by the proportion of the fair value of the assets and liabilities of the subsidiary acquired. This option is made separately for each transaction.

After initial recognition, the book value of the non-controlling interests is determined as the amount initially recognized plus the proportion of changes in equity of the subsidiary. Comprehensive income of a subsidiary is attributed to non-controlling interests even if it is negative.

The results of subsidiaries acquired or sold during the period are included in the statement of comprehensive income (loss) as from the date of acquisition or up to the date of sale.

In specific situations in which the Group has in substance control of other entities created for a specific purpose, even if it does not have participations directly in the entities, they are consolidated.

Changes in the percentage of control over subsidiaries that do not result in loss of control are recorded as equity transactions. The value of the Group's non-controlling interests is adjusted to reflect changes in percentages. Any difference between the amount for which the non-controlling interests is adjusted and the fair value of the transaction is recorded directly in equity and attributed to the shareholders of the Parent Company.

When the Group loses control over a subsidiary, the gain or loss on the sale is calculated as the difference between (i) the aggregated amount of the fair value of the assets received and the fair value of the interests retained and (ii) the book value of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. Amounts previously recognized in equity as "Other comprehensive income (loss)", namely the exchange effect resulting from the translation of foreign currency financial statements are transferred to the statements of profit or loss or to retained earnings in the same way as would happen if related assets or liabilities were sold. The fair value of the interests retained corresponds to the fair value at the initial recognition for purposes of the subsequent recording in accordance with IAS 39 – Financial instruments or, where applicable, cost for purposes of the initial recognition of an investment in an associate or joint venture.

c) Goodwill

Differences between the cost of investments in subsidiaries, plus the fair value of non-controlling interests, and the fair value of the identifiable assets, liabilities and contingent liabilities of these companies as of the date of acquisition, if positive, are recognized as goodwill.

Goodwill is stated in the functional currency of the respective cash-generating unit, being translated to the Company functional currency (Brazilian Reais) at the rate of exchange as of the balance sheet date. Exchange differences generated in that translation are recorded in the equity caption "Currency translation adjustments".

Goodwill on acquisition prior to December 31, 2008 was maintained at the former amount and denominated in Reais, being subject to annual impairment tests as from that date.

Where cost is lower than the fair value of the net assets and contingent liabilities identified, the difference is recorded as a gain in the consolidated statement of profit or loss and other comprehensive income (loss) for the period in which the acquisition takes place.

2.5. Intangible assets

Intangible assets, which comprise essentially contractual rights and costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are only recognised if it is probable that they will produce future economic benefits for the Group, they are controlled by the Group and their value can be determined reliably.

Internally generated intangible assets, namely current research and development costs, are recognised as costs when incurred.

Internal costs relating to the maintenance and development of software are recorded as costs in the statements of profit or loss and other comprehensive income (loss) when incurred, except where such costs relate directly to projects which will probably generate future economic benefits. In such cases these costs are capitalised as intangible assets.

Amortization of such assets is provided on a straight-line basis as from the date the assets are available for use, in accordance with their estimated useful life, as follows:

	Useful life in years
Software licenses	3 to 5
Project development costs	3 to 5
Mining rights and concession related assets	10 to 35
Trademarks, patents and others	6

2.6. Property, Plant and Equipment

Property, plant and equipment used in production, rendering services or for administrative use are stated at cost, including expenses incurred with their purchase, less accumulated depreciation and impairment losses, when applicable.

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives (reviewed when evidence of inadequacy exists), except when another method is shown to be more adequate based on its use, as from the date the assets become available for their intended use and in the proper place, in accordance with the following estimated periods of useful lives:

	Useful life in years
Buildings and other constructions	5 to 50
Machinery and equipment	4 to 40
Vehicles	4 to 32
Furniture and fixtures	2 to 14
Mines and ore reserves	(*)
Reservoirs, dams, and feeders	24
Furnaces, mils and silos	50 to 100

(*) The depletion of mines and ore reserves is conducted: (a) based on actual output as compared to total expected yield; or (b) on a straight-line basis over the mine's useful lives.

Land relating to stone quarry operations and mineral resources is depreciated on a straight-line basis over their expected operating periods less, where applicable, their residual amount.

The amount subject to depreciation does not include, when determinable and significant the estimated residual value of the assets at the end of their useful lives. Additionally, the assets stop being depreciated when they are classified as assets held for sale.

Improvements are only recognised as assets when they increase the useful life or efficiency of the assets, resulting in increased future financial benefits.

Tangible assets in progress correspond to tangible assets under construction/production and are recorded at acquisition or production cost less possible impairment losses. These assets are depreciated as from the date they become available for their intended use.

Gains and losses arising from the sale or write-off of tangible assets, which are determined by the difference between the proceeds of the sale of the assets and their net book value at the date of sale, are recognised by its net amount in the statements of profit or loss as "Other operating income" or "Other operating expenses".

2.7. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (Note 2.6).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. See accounting policies for impairment of non-financial assets in Note 2.8.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (nominal rate) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.8. Impairment of non-current assets, excluding goodwill

Impairment valuations are made whenever an event or change in circumstances is identified that indicates that the book value of an asset may not be recovered. Where such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss. In situations in which the individual asset does not generate cash flows independently of other assets, the recoverable value is estimated for the cash generating unit to which the asset belongs.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised by charge to the consolidated statement of profit or loss, caption “impairment losses on goodwill, tangible and intangible assets”.

The recoverable amount is the higher between the net selling price (selling price, less costs to sell) and the value in use. Net selling price is the amount that would be obtained from selling the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. The value in use is the present value of the estimated future cash flows resulting from the continued use of the asset and sale thereof at the end of its useful life. The recoverable amount is estimated for each asset individually or, where this is not possible, for the unit generating the cash flows to which the asset belongs.

Impairment losses recognised in prior periods are reversed when there are indications that such losses no longer exist or have decreased. The reversal of impairment losses are recognised in the statement of profit or loss, caption “impairment losses on goodwill, tangible and intangible assets”. However, the impairment loss is reversed up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in prior periods.

2.9. Foreign currency assets, liabilities and transactions

Transactions in currencies other than the functional currency of the respective subsidiary are recorded at the exchange rates in force on the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet dates are translated to the functional currency of the respective subsidiary at the rates of exchange in force on those dates.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised directly in shareholders´s equity (“Other comprehensive income (loss)).

The foreign currency financial statements of subsidiary and associated companies are translated as follows: assets and liabilities at the exchange rates in force on the balance sheet dates; shareholders’ equity captions at the historical exchange rates; and consolidated statements of profit or loss, other comprehensive income (loss) and statement of cash-flows captions at the average exchange rates, with the exception of Argentinean segment that profit or loss, other comprehensive income (loss) and statement of cash-flows are translated at the exchange rate on the balance sheet dates due to hyperinflationary accounting required per IAS 29 (see Note 2.1 above) .

The exchange differences arising on translating foreign operations are recognized in the shareholders’ equity within “Other comprehensive income (loss)” caption in the case of subsidiary companies and in the shareholders’ equity caption “Reserves - Adjustments in investments in associates”, when applicable, in the case of investments in associated companies, and is transferred to the statements of profit or loss when the corresponding investments are sold.

In accordance with IAS 21, goodwill and fair value corrections determined on the acquisition of foreign entities are considered in the reporting currency of such entities, and are translated to Brazilian Reais at the exchange rate in force on the Financial Position date. Exchange differences arising from these translations are reflected in the equity caption “Other comprehensive income (loss)”, except when they correspond to a discontinued operation, in which case they are included in net result of discontinued operations.

2.10. Borrowing costs

Costs incurred on loans obtained directly to finance the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale (“qualifying assets”) are capitalised as part of the cost of the assets during that period.

To the extent that variable interest rate loans, attributable to finance the acquisition, construction or production of qualifying assets, are being covered through a cash flow hedge relation, the effective portion of fair value of the derivative financial instrument is recognized in Reserves and transferred to the statements of profit or loss when the qualifying asset has an impact on results. Additionally, to the extent that fixed interest rate loans used to finance a hedged item are covered by a fair value hedge relation, the financial burden in addition to the cost of the asset should reflect the interest rate covered.

Any financial income generated by loans obtained in advance to finance specific capital expenditure is deducted from the capital expenditure subject to capitalisation.

2.11. Inventories

Raw materials and consumable materials are stated at average cost using the average cost as the costing method.

Finished and semi-finished products and work in progress are stated at production cost, which includes the cost of the raw materials incorporated, labour and production overheads.

Inventories are adjusted when net realizable value is lower than book value, through the recognition of an impairment loss, the reduction being reversed when the reasons that gave rise to it cease to exist.

2.12. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their value is realizable through a sale transaction rather than through its continued use. This situation is only considered to arise when: (i) the sale is highly probable; (ii) the asset is available for immediate sale in its present condition; (iii) the management is committed to a plan of sale; and (iv) the sale is expected to take place within a period of twelve months.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of the book value or their fair value less the costs incurred in their sale, and are presented separately in the consolidated statements of financial position.

A discontinued operation is a component of an entity which was either sold or is classified as available for sale and:

- Represents a significant separate operating or geographic business line;
- Is part of a single coordinated plan to sell a significant separate business line or geography;
- Is a subsidiary acquired exclusively to be resold.

The amounts included in the consolidated statements of profit or loss and other comprehensive income (loss) and consolidated statement of cash flows relating to these discontinued operations are presented separately for the current period and all earlier periods that are presented in the financial statements.

Assets and liabilities relating to discontinued operations (not yet sold) are presented in separate lines for the latest year presented, without readjustment of prior years.

2.13. Segment reporting

An operating segment is a distinguishable component of an entity that is engaged in providing a product or service or a group of related products or services which are different from those of other segments.

The Group reports its assets and liabilities, as well as its operations, as geographical segments, following the way Management carries out the business.

2.14. Balance sheet classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.15. Provisions

Provisions are recognised when: (i) exists an obligation (legal or constructive) resulting from a past event; (ii) under which it is probable that it will have an outflow of resources to settle the obligation; and (iii) the amount of the obligation can be reasonably estimated. At each balance sheet date provisions are reviewed and adjusted to reflect the best estimate as of that date.

When one of the conditions described is not completed the Group disclosures the events in question as contingent liabilities, unless the possibility of outflow of resources is remote, in which case they are not subject to disclosure.

a) Onerous contracts

If the Group has a contract that is onerous (i.e. take or pay), the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract (if applicable).

An onerous contract is a contract under which the unavoidable costs (i.e. take or pay contracts, which the costs cannot be avoid because it has contract) of meeting the obligation under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from the failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e. both incremental costs and an allocation of costs directly related to contract activities).

b) Provisions for restructuring costs

Provisions for restructuring costs are recognised by the Group whenever there is a formal detailed restructuring plan which has been communicated to the parties involved.

c) Environmental recovery

In accordance with current legislation and practices in force in several business segments in which the Group operates, land used for quarries must be environmentally rehabilitated.

In this regard, provisions are recorded to cover the estimated cost of environmentally recovering and rehabilitating the land used for quarries, whenever this can be reasonably determined. Such provisions are recorded together with a corresponding increase in the amount of the underlying assets, based on the conclusions of landscape rehabilitation studies, being recognised in the statements of profit or loss as the corresponding assets are depreciated.

In addition, the Group has the procedure of progressively rehabilitating the areas freed up by the quarries, using the recorded provisions.

2.16. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income(loss) - OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

• Financial assets at amortised cost (debt instruments);
• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
• Financial assets at fair value through profit or loss.

The main financial assets as of December 31, 2023 and 2022 are:

a) Cash and cash equivalents and securities

The caption "Cash and cash equivalents" includes cash, bank deposits, and financial investments which mature or are redeemable in the short-term (three months or less), highly liquid and immediately convertible into cash with insignificant risk of change in value. Securities includes mainly by investments funds and bonds investments, which are determined as amortized cost or at fair value depending on its characteristics and portfolio.

b) Accounts receivable

Accounts receivable are measured at fair value on the initial recognition and are subsequently stated at amortised cost in accordance with the effective interest rate method. Correspond to receivable from sale in the normal course of business, net of the expected credit losses, which is evaluated at the end of each reporting period, taking into consideration the debtor's historical information and his risk profile and economic environment. The accounts receivable are adjusted by the assessment of the expected credit losses at the reporting period dates, which might differ from the effective risks when incurred.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contract independently of its legal form. Equity instruments are contracts that have a residual interest in the Group's assets after deducting its liabilities.

Equity instruments issued are recorded at the amount received net of costs incurred to issue them.

The Company also has contracts, which contains components of equity instruments and financial instruments, these components are classified separately according to their contractual characteristics. Equity instruments are measured at historical cost and derivative financial instruments at fair value through profit or loss.

The main financial liabilities and equity instruments as of December 31, 2023 and 2022 are as follows:

a) Borrowings, financing and debentures

Borrowing, financing and debentures are initially recorded as liabilities at the amount received, net of loan issuing costs, which corresponds to their fair value on that date. Borrowing, financing and debentures are subsequently measured at amortised cost, being the corresponding financial costs calculated at the effective interest rate.

Accrued interest is recognized on an accruals basis and is presented in the consolidated statements of financial position caption "Interest payable".

b) Trade payables, obligations from confirming and other payables

Trade payables, obligations from confirming and other payables are initially recognised at fair value and subsequently measured at amortised cost in accordance with the effective interest rate method. Trade and other payables relates to payables to services rendered or goods received in the normal course of business.

Obligations from confirming refers to obligations to be paid to financial institutions arising mainly from the acquisition of raw materials, consumable materials, and transportation services from suppliers in Brazil who opted to anticipate its cash collections at a discount with the financial institutions which operate such credit lines in such country. This operation does not substantially modify the characteristics of the original obligation with the supplier (trade payable), even with the change in counterparty (obligation changes from trade payables due to suppliers to financial institutions), by means it does not extend and/or changes the original payment terms established in the invoices, including the maturity dates (typically between 90 days and 120 days, in line with the cycle normal payment of the Company), and the purchase price from the suppliers, who are solely responsible for the financial costs associated to the referred discounts. Additionally, as from December 31, 2023 aiming to better present such operation, the Company is presenting obligations from confirming (due to financial institutions) separately from trade payables in the consolidated statements of financial position and in the consolidated statements of cash flows, having reclassified the corresponding financial information accordingly.

As of December 31, 2023 and 2022, obligations from confirming amounted to US$2,580 and US$71,271, respectively. The reduction relates to the fact our subsidiary in Brazil is currently in process of ceasing such operation.

c) Derivative financial instruments and hedge accounting

The Group has the policy of using financial derivative instruments to hedge the financial risks to which it is exposed as a result of changes in interest and exchanges rates, when deemed necessary.

The Group contracts financial derivative instruments in accordance with internal policies set and approved by the Board of Directors.

Financial derivative instruments are measured at fair value. The method of its recognition depends on the nature and purpose of the transaction.

Hedge instruments

Derivative financial instruments are designated as hedging instruments in accordance with the provisions of IFRS 9, as regards their documentation and effectiveness.

Changes in the fair value of derivative instruments designated as "fair value hedging" are recognised as financial income or expense for the period, together with changes in the fair value the asset or liability subject to the risk.

Changes in the fair value of derivative financial instruments designated as "cash flow hedging" instruments are recorded in "Other comprehensive income (loss)" as hedging operations reserves regarding their effective component and in financial income or expense for the period regarding their non-effective component. The amounts recorded are transferred to financial income or expense in the period in which the effect on the hedged item is also reflected in the statements of profit or loss.

Changes in the fair value of derivative financial instruments hedging net investments in a foreign entity are recorded in "Other comprehensive income (loss)" as currency translation adjustments regarding their effective component. The ineffective component of such changes is recognised immediately as net financial expenses for the period. If the hedging instrument is not a derivative, the corresponding variations resulting from changes in the exchange rate are recorded in "Other comprehensive income (loss)" as currency translation adjustments.

Hedge accounting is discontinued when the hedging instrument matures, is sold or exercised, or when the hedging relationship ceases to comply with the requirements of IFRS 9.

Trading instruments

Changes in the fair value of derivative financial instruments which are contracted for financial hedging purposes in accordance with the Group's risk management policies, but do not comply with all the requirements of IFRS 9 to qualify for hedge accounting, are recorded as net financial expenses in the statements of profit or loss for the year in which they occur.

Determination of Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

- The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions.

Derecognition of financial assets and liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statements of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at Fair Value through Other Comprehensive Income "FVTOCI", the cumulative gain or loss previously accumulated in the investments revaluation reserve is recycled to the statements of profit or loss. In contrast, on derecognition of an investment in equity instrument, which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the statements of profit or loss, but is transferred to retained earnings.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statements of profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in the statements of profit or loss as the modification gain or loss within other gains and losses.

2.17. Impairment of financial assets

The Group recognises expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and other receivables. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises expected credit losses for trade receivables and other receivables as mentioned in Note 2.3 above. For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the expected credit losses for that financial instrument at an amount equal to 12-month expected credit losses.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2.18. Contingent assets and liabilities

A contingent liability is (i) a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events; or (ii) a present obligation that arises from past events, but that is not recognized because an outflow of funds are not probable or the amount cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed in their notes, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events.

Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements when a future economic benefit is probable.

2.19. Revenue recognition and costs and income accruals basis

Income resulting from sales is recognised in the statements of profit or loss when delivered has occurred and the transfer of control of the goods or services has being completed and there are no other significant performance obligation to be fulfilled thereafter. Sales are recognised at the fair amount received or receivable, net of taxes, discounts and other costs incurred to realise them, by the fair value of the amount received or receivable.

Income from services rendered is recognised in the statements of profit or loss operations in the period in which they are rendered considering the phase of completion of the transaction as of the balance sheet date.

Interest and financial income are recognised on an accrual basis in accordance with the effective interest rate.

Costs and income are recognised in the period to which they relate regardless the date of invoicing. Costs and income, the amount of which is not known, are estimated.

Costs and income attributable to the current period which will only be paid or received in future periods, as well as amounts paid and received in the current period that relate to future periods and will be attributed to each of the periods by the amount corresponding to them, are recorded in the captions “Other current assets” and “Other current liabilities”.

Dividends relating to investments recorded at cost or in accordance with IFRS9 are recognized when is given the right to receive them.

2.20. Income tax

Tax on income for the year is calculated based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current income tax is calculated based on the taxable results (which could differ from the accounting results) of the companies included in the consolidation, in accordance with the tax rules applicable to the area in which the tax jurisdiction of each Group Company.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes and are recorded in the statements of profit or loss, except when they are related with items registered as other comprehensive income recognised directly in equity, in which case the deferred tax is recorded in equity.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the temporary differences reverse, and are not subject to discounting.

Deferred tax liabilities are recognised for all the taxable temporary differences. Deferred tax assets are only recognised when there is probable that there will be sufficient future taxable income to utilise them. At each reporting period an assessment is made of the temporary differences underlying the deferred tax assets so as to recognize or adjust them based on the current expectations of their future recovery. The compensation of deferred tax assets and liabilities is not allowed, except if: i) there is a legal right to compensate such assets and liabilities or there is the intention and its allowed to do such compensation; ii) such assets and liabilities are related to income taxes due to the same tax authority; iii) there is an intention to clear those balances for settlement purposes.

Deferred income taxes assets are recognized over unused tax losses when it is probable that future income subject to taxation will be available and against which they will be used in accordance with each subsidiary's tax regulations.

2.21. Earnings (loss) per share

Earnings (loss) per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period.

The diluted earnings per share are calculated dividing the result attributable to the ordinary shareholders of the parent company, by the weighted average number of shares in circulation during the period, adjusted by potential ordinary diluting shares.

Potential ordinary diluting shares can result from options over shares and other financial instruments issued by the Group, convertible to shares of the Parent Company.

2.22. Exchange rates

The main exchange rates used to translate the financial information were as follows:

Currency		Closing exchange rate (R$)		Average exchange rate (R$)	
		12.31.2023	12.31.2022	12.31.2023	12.31.2022
USD	US Dollar	4.84130	5.21710	4.99522	5.15957
EUR	Euro	5.35160	5.56940	5.39754	5.40100
MZN	Mozambique Metical (**)	0.07654	0.08251	0.07868	0.08180
EGP	Egyptian Pound (*)	0.21090	0.21090	0.17216	0.27339
ZAR	South African Rand (**)	0.26270	0.30770	0.26771	0.31168
ARS	Argentinian Peso (***)	0.00599	0.02945	0.00599	0.02945

(*) The closing exchange rate refers to January 23, 2023 (date we derecognized our investment) and the average exchange rate was calculated for the period from January 1 to January 23, 2023. See Note 2.24 for further considerations on the sale of Egypt.

(**) The closing and average exchange rate refers to December 31, 2023 (date we derecognized our investment). See Note 2.24 for further considerations on the sale of South Africa and Mozambique.

(***) As a result of the application of IAS 29, non-monetary assets and liabilities, shareholders' equity and statement of profit or loss of subsidiaries operating in highly inflationary economies shall be expressed in terms of the unit of measurement current at the balance sheet date and translated at the period-end exchange rate (rather than the average rate), thus resulting in year-to-date effects on the statement of profit or loss of both inflation and currency conversion.

2.23. Consolidation

The consolidated financial statements incorporate the following direct and indirect subsidiaries and joint operations:

				12.31.2023		12.31.2022	
				Equity interest - %		Equity interest - %	
				Direct	Indirect	Direct	Indirect
SUBSIDIARIES:							
HOLDINGS AND CORPORATE SUPPORT COMPANIES SEGMENT							
InterCement Portugal, S,A,	1	Portugal		99.68	0.01	99.68	0.01
Intercement Trading e Inversiones S.A.	2	Spain		-	99.69	-	99.69
Intercement Trading e Inversiones Argentina S.L.	3	Spain		-	99.69	-	99.69
Intercement Financial Operations B.V.	4	Netherlands		-	99.69	-	99.69
Intercement Luxembourg Reinsurance S.A.	5	Luxembourg		-	99.69	-	99.69
Intercement Imobiliária S.A.	6	Portugal		100	-	100	-
InterCement Atividades Imobiliarias S.A.	7	Brazil		100	-	100	-
BRAZIL SEGMENT							
InterCement Brasil S.A.	8	Brazil		-	99.69	-	99.69
Neogera Investimentos em Inovação Ltda.	9	Brazil		-	99.69	-	99.56
Barra Grande Participações, S.A.	10	Brazil		-	79.82	-	79.82
Estreito Participações S.A.	11	Brazil		-	83.51	-	83.51
Machadinho Participações S.A	12	Brazil		-	79.90	-	79.90
Ecoprocessa - Tratamento de residuos, Ltda.	13	Brazil		-	99.69	-	99.69
Comican - Companhia de Mineração Candiota, Ltda.	14	Brazil		-	99.69	-	99.69
ARGENTINA SEGMENT							
Loma Negra C.I.A. S.A.	15	Argentina	a)	-	51.98	-	51.97
Cofesur S.A.	16	Argentina	a)	-	51.98	-	51.97
Recycomb S.A.	17	Argentina	a)	-	51.98	-	51.97
Ferrosur Roca S.A.	18	Argentina		-	41.55	-	41.55
Cementos del Plata S.A.	19	Uruguay		-	0.10	-	0.10
JOINT OPERATIONS:							
BRAZIL SEGMENT							
BAESA - Energética Barra Grande S.A.	20	Brazil		-	7.18	-	7.18
CONSORTIUM:							
BRAZIL SEGMENT							
Consórcio Estreito Energia - OESTE	21	Brazil		-	3.71	-	3.71
Consórcio Machadinho	22	Brazil		-	4.22	-	4.22
DISCONTINUED OPERATIONS (See note 2.24 for further information)							
Intercement Reinsurance S.A.	1	Luxembourg		-	-	-	99.69
Cimentos de Moçambique, S.A.	2	Mozambique		-	-	-	95.66
Cimbetão - Moçambique S.A.	3	Mozambique		-	-	-	95.66
Cimentos de Nacala, S.A.	4	Mozambique		-	-	-	95.66
Natal Portland Cement Company (Pty) Ltd.	5	South Africa		-	-	-	99.69
NPC Intercement (Pty) Limited.	6	South Africa		-	-	-	73.77
Simuma Rehabilitation Trust	7	South Africa		-	-	-	36.52
NPC Concrete (Pty) Ltd.	8	South Africa		-	-	-	73.77
South Coast Stone Crushers (Pty) Ltd.	9	South Africa		-	-	-	54.59
Sterkspruit Aggregates (Pty) Ltd.	10	South Africa		-	-	-	54.59
Intercement South Africa (Pty) Ltd.	11	South Africa		-	-	-	99.69
Intercement Trading e Inversiones Egipto S.L.	12	Spain		-	-	-	99.69
Amreyah Cement Company, S.A.E.	13	Egypt		-	-	-	99.23
Cement Services Company, S.A.E.	14	Egypt		-	-	-	99.44
Amreyah Cimpor Ready Mix Company, S.A.E.	15	Egypt		-	-		99.23

Changes in ownership in 2023 were as follow:

a) Loma Negra repurchased certain of its own-shares from non-controlling shareholders resulting in an increase of Company's indirect participation of 0.0093% in Loma Negra´s equity and respective equity´s participation increases in Loma Negra's subsidiaries. See Note 15 – "Earnings reserves – Transaction with shareholders - item b" for further information.

Changes in ownership in 2022 were as follow:

a) In 2021, InterCement Trading Inversiones S.A. acquired a “shelf entity” located in Brazil denominated InterCement Atividades Imobiliárias S.A. Such entity is engaged in Real Estate activities. On September 28, 2021, some group properties were transferred from InterCement Brasil S.A. to InterCement Atividades Imobiliárias S.A. and since both entities were indirectly wholly-controlled by the Company, such transaction did not have any impact on the consolidated financial statements. In 2022, InterCement Atividades Imobiliárias S.A. was sold to InterCement Participações S.A. No gains/losses on the sale transaction took place as it refers to intra-group transaction.

b) Entity legally created in 2022 to start operations in 2023 with the object to carry out any reinsurance operations in any branches to the group or third parties.

c) InterCement Brasil S.A. acquired from non-controlling shareholders equity interests equivalent to 2,94% of its subsidiary Estreito. See Note 15 – “Earnings reserves – Transaction with shareholders - item a” for further information.

d) Loma Negra repurchased certain of its own-shares from non-controlling shareholders resulting in an increase of Company’s indirect participation of 0.3404% in Loma Negra´s equity and respective equity´s participation increases in Loma Negra’s subsidiaries. See Note 15 – “Earnings reserves – Transaction with shareholders - item b” for further information.

e) During 2022, these entities were merged into Amreyah Cement. The transaction also resulted in changes of equity interests in the remaining entities, but with no impact on consolidated financial figures.

f) During 2022, InterCement Imobiliária S.A. sold to Cimentos de Moçambique S.A. its equity interests on Imopar – Imobiliária de Moçambique, S.A. No gains/losses on the sale transaction took place as it refers to intra-group transaction. Subsequently in the year, such entity was merged into its Parent Company.

g) In December, 2022, Natal Porland Cement Company Ltd. increased its equity participation in Cimentos de Moçambique S.A. in 3,45% through a capital contribution diluting minority interests, without relevant impact on consolidated financial figures. Such transaction also resulted in changes of equity interests in remaining Mozambique´s entities wholly-controlled by Cimentos de Moçambique.

2.24. IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

As a result of the disinvestment of our segments in Egypt, South Africa and Mozambique in 2023, and corresponding presentation as discontinued operations (See Note 1), the following main changes in relation to the normal presentation of the remaining continuing operations were applied:

- Total profit or loss for the periods from “Discontinued Operations” are presented in a single line in the Consolidated Statements of Profit or Loss under the caption “Profit / (Loss) for the period from Discontinued Operations” (same for the comparative figures, which are being restated, accordingly);

- Assets and liabilities as of December 31, 2022, related in Egypt were also separately presented in the Consolidated Statements of Financial Position, under the captions “Assets classified as held for sale” and “Liabilities directly associated with assets classified as held for sale”, as the decision for the sale was taken in such year and the closing in 2023. Such does not apply to South Africa and Mozambique, as sale decision and corresponding closing took place within 2023;
- Notes to the consolidated financial statements were adjusted to present the profit or loss, assets and liabilities of the continuing operations only, and, when considered significant for a proper understanding of the effects for the users of the financial statements, additional details of the “Discontinued operations” were also presented therein;
- “Discontinued operations” correspond to the Group’s businesses (segments) that were disinvested in 2023, including Egypt, Mozambique and South Africa;
- The valuation criteria used for the “Discontinued operations” are consistent with those used for continuing operations.

In summary the impacts on the financial statements were the following:

	12.31.2023				12.31.2022			
	Business sale value	Net assets carve-out	Loss on the sale	Reversal of CTA	Business sale value	Net assets	Impairment loss	Reversal of CTA
Egypt	40,000	(40,000)	-	(43,137)	-	(40,000)	(12,560)	-
Mozambique and South Africa	231,563	(238,133)	(6,570)	11,291	-	-	-	-

As of December 31, 2022, the Company recorded an impairment loss provision of US$12,560 within non-current assets related for our segment in Egypt, considering the excess of the investment carrying amount over the corresponding selling price.

It is also worth of mention that Egypt segment was presented in December 2022 as “Assets classified as held for sale” and “Liabilities directly associated with assets classified as held for sale” (sale initiatives commence in late 2022 and the investment was fully derecognized as of March 31, 2023 upon the sale completion and transfer of control) but in relation to Mozambique and South Africa segments, both the sale initiatives and the conclusion of the agreement took place during 2023, thus its net assets amount of US$238,133 being fully derecognized as of December 31, 2023.

“Discontinued Operations” and “Assets and Liabilities of Discontinued Operations” details, as well as information on the cash flow generated by discontinued operations; are presented below:

The contribution of these operations to the Group´s discontinued operations cash flow is as follows:

.	12.31.2023			12.31.2022		
	Presented	Discontinued operation	Continued operation	Presented	Discontinued operation	Continued operation
Net cash used in (generated by) operating activities	23,635	25,819	(2,184)	221,780	48,877	172,903
Net cash used in (generated by) investing activities	135,004	(37,915)	172,919	(65,530)	(12,347)	(53,183)
Net cash used in (generated by) financing activities	(19,303)	(21,237)	1,934	(97,892)	(39,322)	(58,570)
Decrease in cash and cash equivalents	139,336	(33,333)	172,669	58,358	(2,792)	61,150
Exchange differences on cash and cash equivalents	(1,017)	(2,162)	1,145	(41,074)	(6,531)	(34,543)
Cash and cash equivalents at the beginning of the year	223,087	35,495	187,592	205,803	44,818	160,985
Cash and cash equivalents at the end of the year	361,406	-	361,406	223,087	35,495	187,592

Details of the net loss from our discontinued operations:

DISCONTINUED OPERATIONS	12.31.2023	12.31.2022
NET SALES	236,913	388,539
COST OF SALES AND SERVICES	(197,089)	(337,618)
GROSS PROFIT	39,824	50,921
OPERATING INCOME (EXPENSES)		
Selling expenses	(1,659)	(8,690)
Administrative expenses	(16,980)	(20,805)
Other income/(expenses), net	7,292	(1,147)
Equity pick-up	-	
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION	28,477	20,279
FINANCIAL INCOME (EXPENSES)		
Foreign exchange gains/(losses), net	591	(33,563)
Financial income	1,414	(3,442)
Financial expenses	(12,942)	(17,788)
Loss on the sale	(6,570)	-
Reversal of accumulated exchange differences	(31,846)	-
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(20,876)	(34,514)
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	(6,708)	(10,062)
Deferred	(5,325)	5,320
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	(32,909)	(39,256)
LOSS FOR THE PERIOD ATTRIBUTABLE TO		
Company’s owners	(17,741)	(39,399)
Non-controlling interests	(15,168)	143

The reconciliation from the original presented to the restated statement profit of loss for the year ended December 31, 2022 is presented below:

Point out that only the business areas of Mozambique and South Africa were restated in the statement profit or loss for the year ended December 31, 2022, while the business area of Egypt was already originally presented as discontinued operations in 2022 (the sale initiatives commence in late 2022 and the investment was fully derecognized as of March 31, 2023 upon the sale completion and transfer of control).

	12.31.2022		
	Originally presented	Discontinued operations	Restated
NET SALES	1,799,558	239,944	1,559,614
COST OF SALES AND SERVICES	(1,405,095)	(203,524)	(1,201,571)
GROSS PROFIT	394,463	36,420	358,043
OPERATING INCOME (EXPENSES)			
Selling expenses	(74,257)	(1,693)	(72,564)
Administrative expenses	(98,831)	(18,578)	(80,253)
Other income/(expenses), net	45,877	13,479	32,398
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION	267,252	29,628	237,624
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	(129,756)	4,607	(134,363)
Financial income	110,026	300	109,726
Financial expenses	(375,778)	(9,911)	(365,867)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(128,256)	24,624	(152,880)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	(38,352)	(8,771)	(29,581)
Deferred	(16,829)	(27)	(16,802)
LOSS FOR THE PERIOD	(183,437)	15,826	(199,263)

Details of the assets and liabilities, related to our discontinued operations, derecognized from the consolidated financial position, in the year ended December 31, 2023 (The Egypt figures were already presented as assets classified as held for sale in December, 2022) :

ASSETS	Mozambique and South Africa	Egypt
CURRENT ASSETS		
Cash and cash equivalents	24,378	4,216
Securities	-	516
Trade receivables	6,464	611
Inventories	28,505	55,708
Recoverable taxes	8,338	8,273
Other receivables	3,384	8,580
Total current assets	71,069	77,904
NONCURRENT ASSETS		
Inventories	9,385	22,457
Deferred income tax and social contribution	1,462	119
Other receivables	2,211	5,161
Investments	482	-
Right-of-use assets	5,431	198
Property, plant and equipment	141,663	74,673
Intangible assets:		
Goodwill	118,207	-
Other intangible assets	11,007	-
Total noncurrent assets	289,848	102,608
Total assets	360,917	180,512
LIABILITIES		
CURRENT LIABILITIES		
Trade payables	26,238	65,191
Borrowings and financing	5,969	13,277
Interest payable	810	88
Leases liabilities	3,215	-
Taxes payable	522	7,240
Payroll and related taxes	4,119	9
Advances from customers	6	12,302
Other payables	6,378	3,258
Total current liabilities	47,257	101,365
NONCURRENT LIABILITIES		
Borrowings and financing	39,685	2,538
Leases liabilities	2,606	104
Provision for tax, civil and labor risks	1,742	21,474
Provision for environmental recovery	3,332	-
Deferred income tax and social contribution	27,603	6,119
Other payables	559	8,912
Total noncurrent liabilities	75,527	39,147
Total liabilities	122,784	140,512
Inter-segment eliminations	-	-
Liabilities from discontinued operations	122,784	140,512
Net assets	238,133	40,000

Additionally, assets classified as held for sale in December 31, 2023 includes the amount of US$3,207 (BRL15,526 thousand), related with the sale of concrete units to third parties along with machinery, equipment, land and other fixed assets in the Brazilian segment. The sale is expected to be complete in the coming months.

3. Cash and Cash Equivalents

	12.31.2023	12.31.2022
Cash and bank accounts	264,516	71,469
Short-term investments	96,890	147,402
Total cash and cash equivalents	361,406	218,871
Cash and cash equivalents from discontinued operations (Note 2.24)	-	4,216
	361,406	223,087

Short-term investments were as follows:

	12.31.2023	12.31.2022
Short Term Investment in Brazilian Reais (a)	94,773	105,957
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean Pesos (b)	39	3,749
Short-term investments in U.S. Dollars (c)	87	20,221
Public Debit Securities in U.S Dollars (d)	1,991	-
Total short-term investments of Continued Operations	96,890	129,927
Short-term investments in South African Rand (e) (Note 2.24)	-	7,986
Short-term investments in Mozambique Metical (f) (Note 2.24)	-	9,489
Total short-term investments of Decontinued Operations	-	17,475

a) Short-term investments in Brazilian Reais have a yield between 70% and 101% interbank interest rate “CDI” per year (70% and 105% per year as of December 31, 2022).

b) Represents short-term investments in Argentinean pesos with interest of 89.2% per year (59.2% per year as of December 31, 2022).

c) Short-term investments in U.S. Dollars with interest of 0.1% per year held by Argentinian segment.

d) Public Debit Securities in U.S Dollars are held by the Argentinean subsidiary as a short-term investment that yield interest of 0.8% per year.

e) Deposits in Rands with floating interest between 6.8% and 7.0% per year as of December 31, 2022 (previously presented as discontinued operations - see Note 2.24 and released upon completion of segment sale in 2023).

f) Short-term investments in Mozambique Metical with interest of 15.7% as of December 31, 2022 (previously presented as discontinued operations - see Note 2.24 and released upon completion of segment sale in 2023).

Short-term investments are available for immediate withdraws, without significant risk of changes in value.

4. Securities

Securities are classified as financial assets, as follows:

	12.31.2023	12.31.2022
Market investments	8,940	7,403
Total	8,940	7,403
Total - noncurrent	8,940	7,403

Market investments" are held by the Brazilian subsidiaries, which are composed by (i) investments in Brazilian Reais amounting US$7,710 (US$6,326 as of December 31, 2022) yielding 101% of interbank interest rate "CDI" per annum with maturity in 2024, given as collateral to borrowings and financings (see Note 9); and (ii) remaining amount of US$1,230 composed by escrow accounts that do not bear interests (US$1,077 as of December 31, 2022).

5. Trade Receivables

	12.31.2023	12.31.2022
Current		
Domestic and foreign customers (a)	62,480	75,631
(-) Expected Credit Losses	(7,370)	(11,398)
Trade receivables	55,110	64,233
Noncurrent		
Domestic and foreign customers	526	1,411
(-) Expected Credit Losses	-	(704)
Trade receivables	526	707

(a) In the year ended December 31, 2023 and 2022, our Brazilian subsidiary sold to financial institutions trade receivables in the amounts of US$15.752 (with a discount of US$ 143) and US$39,047 (with a discount of US$ 363), respectively. The discounts were recorded as "Financial Expenses". The sale is irrevocable and without co-obligation to the Brazilian subsidiary (true-sale), therefore, such amounts were derecognized on such date.

In 2023 Trade Receivables allocated to South Africa, Mozambique and Egypt in the total amount of US$6,464 was derecognized upon the completion of the sale of such business as mentioned in Note 2.24 above. In 2022, Trade Receivables allocated to Egypt, in the amount of US$611, were presented as "Assets classified as held for sale" in the Statements of financial position.

Aging list of trade receivables (current and noncurrent) by maturity

	12.31.2023	12.31.2022
Current	50,782	43,909
Past-due:		
0 to 30 days	3,763	16,415
31 to 60 days	957	3,012
61 to 90 days	269	579
91 to 180 days	2,706	4,352
181 days or more	4,529	8,775
Total	63,006	77,042

Changes in expected credit losses (current and noncurrent)

	12.31.2023	12.31.2022
Opening balance	12,102	12,817
Effects of hyperinflationary adjustments (Note 2.1)	2,111	1,747
Recognitions	2,896	1,928
Derecognitions	(890)	(952)
Amounts written off in the year as uncollectible	(1,710)	(300)
Exchange gains or losses	(4,294)	(3,138)
Discontinued operations (Note 2.24)	(2,845)	-
Closing balance	7,370	12,102

6. Inventories

	12.31.2023	12.31.2022
Current:		
Finished products	13,644	21,297
Work in process	48,136	63,983
Raw material	45,130	63,803
Fuel	31,675	50,513
Supplies and consumable materials	47,887	53,916
Advances to suppliers	556	1,064
Packaging and other	1,789	4,977
Allowance for impairment losses	(23,273)	(29,247)
Total	165,544	230,306
Noncurrent:		
Raw material	-	1,722
Supplies and consumable materials	39,337	64,863
Packaging and other	-	428
Allowance for impairment losses	(4,346)	(13,523)
Total	34,991	53,490

In 2023 Inventories allocated to South Africa and Mozambique in the total amount of US$37,890 was derecognized upon the completion of the sale of such business as mentioned in Note 2.24 above. In 2022, Inventories allocated to Egypt, in the amount of US$78.165, were presented as “Assets classified as held for sale” in the Statements of financial position.

Changes in the allowance for impairment losses (current and noncurrent)

	12.31.2023	12.31.2022
Opening balance	42,770	40,544
Effects of hyperinflationary monetary adjustment (Note 2.1)	1,506	1,178
Recognitions	1,990	6,268
Derecognitions/Write-off	(3,036)	(4,445)
Exchange variation gains or losses	(40)	249
Discontinued operations (Note 2.24)	(15,571)	(1,024)
Closing balance	27,619	42,770

7. Property, Plant and Equipment

	12.31.2023			12.31.2022
	Cost	Depreciation & Impairment	Net book value	Net book value
Land	43,372	(13,502)	29,870	43,372
Buildings	538,265	(350,894)	187,371	252,378
Machinery and equipment	1,433,611	(809,353)	624,258	938,395
Vehicles	96,741	(88,160)	8,581	13,657
Furniture and fixtures	29,824	(28,837)	987	2,176
Mines and ore reserves	185,426	(143,660)	41,766	53,383
Reservoirs, dams and feeders	58,036	(28,218)	29,818	29,223
Spare parts	28,628	(8,583)	20,045	18,481
Other	10,072	(6,958)	3,114	2,630
Advances to suppliers	16,599	(3,588)	13,011	9,338
Construction in progress	205,283	(106,130)	99,153	94,804
Total	2,645,857	(1,587,883)	1,057,974	1,457,837

In 2023 Property, Plant and Equipment allocated to South Africa and Mozambique in the total amount of US$141,663 was derecognized upon the completion of the sale of such business as mentioned in Note 2.24 above. In 2022, Property, Plant and Equipment allocated to Egypt, in the amount of US$74,673, were presented as “Assets classified as held for sale” in the Statements of financial position.

Construction in progress

As of December 31, 2023, construction in progress mainly relates to: (i) US$19,750 (US$9,239 as of December 31, 2022) in Argentinian business segment mainly explained by certain improvements in L’amali cement plant and in railways; and (ii) US$79,403, net of impairment losses of US$106,130 (US$74,672 as of December 31, 2022, net of impairment losses of US$92,262), in Brazilian business segment mainly due to projects for expansion of units and improvements in the production process, which are temporarily suspended and were adjusted to the recoverable values. Such impairment losses are revised on an annual basis and might be reversed once the expansion projects are finalized and the expected future cash flows are sufficient to cover their respective costs.

As of December 31, 2022, there are assets in Brazil business segment given as collateral for loans obtained for their own acquisition in the amount of approximately US$2,318.

In addition, in Brazil business segment, two cement plants were given as guarantee as part of “CADE” litigation, as referred in Note 11.

Changes in property, plant and equipment were as follows:

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Mines and ore reserves	Reservoirs, dams and feeders	Spare parts	Other	Construction in progress	Advances to suppliers	Total
Balance as of December 31, 2021	54,896	246,984	962,585	15,304	2,404	48,956	28,973	14,397	3,680	111,467	10,658	1,500,304
Effects of hyperinflationary monetary adjustment (Note 2.1)	5,548	74,225	308,058	8,049	514	27,224	-	5,568	558	10,253	-	439,997
Additions	50	3,513	17,181	-	114	428	16	5,661	125	91,686	-	118,774
Disposals	(4,602)	(2,378)	(5,906)	(190)	(69)	(171)	-	(1,249)	(166)	(68)	(60)	(14,859)
Depreciation	(245)	(23,242)	(88,282)	(9,539)	(1,418)	(20,563)	(1,806)	(785)	(1,217)	-	-	(147,097)
Impairment reversal (provision)	262	(3,295)	304	-	4	-	-	-	-	(3,191)	-	(5,916)
Effect of changes in exchange rates	(7,987)	(53,859)	(258,614)	(6,133)	(551)	(20,864)	2,038	(793)	(1,694)	(10,141)	(13)	(358,611)
Transfers	404	13,296	53,003	6,166	1,386	18,373	2	(2,670)	1,890	(91,546)	(304)	-
Discontinued operations (Note 2.24)	(4,954)	(2,866)	(49,934)	-	(208)	-	-	(1,648)	(546)	(13,656)	(943)	(74,755)
Balance as of December 31, 2022	43,372	252,378	938,395	13,657	2,176	53,383	29,223	18,481	2,630	94,804	9,338	1,457,837
Effects of hyperinflationary monetary adjustment (Note 2.1)	5,056	64,467	267,236	5,838	467	23,989	-	17,392	442	4,190	-	389,077
Additions	2	5,405	13,352	343	157	508	12	4,435	103	87,992	-	112,309
Disposals	(7,452)	(593)	(1,765)	(467)	(17)	-	-	(1,709)	(36)	(341)	(13)	(12,393)
Depreciation	(241)	(10,508)	(80,733)	(2,558)	(817)	(9,109)	(1,634)	(3,036)	(324)	-	-	(108,960)
Impairment reversal (provision)	3,432	-	19	-	3	-	-	-	2	(3,620)	-	(164)
Effect of changes in exchange rates	(7,373)	(103,859)	(463,819)	(9,990)	(813)	(40,771)	2,217	(10,723)	(1,653)	(1,095)	3,686	(634,193)
Assets classified as held for sale	(2)	(952)	(2,112)	-	(2)	-	-	(35)	-	(2)	-	(3,105)
Transfers	466	1,992	51,086	2,268	766	13,766	-	(3,041)	2,261	(70,335)	-	(771)
Discontinued operations (Note 2.24)	(7,390)	(20,959)	(97,401)	(510)	(933)	-	-	(1,719)	(311)	(12,440)	-	(141,663)
Balance as of December 31, 2023	29,870	187,371	624,258	8,581	987	41,766	29,818	20,045	3,114	99,153	13,011	1,057,974

Additions

Argentina business segment:

Investments in the total amount of US$43,129 for the year ended December 31, 2023 (US$49,356 for the year ended December 31, 2022), primarily due to the increase of the quarry recovery of US$14,199 (US$18,153 for the year ended December 31, 2022), adaptation of the bagging process for cement bags from 50kg to 25kg (according to legal requirements) of US$10,592, improvements in cement plants (including L'amali, Catamarca and Zapala) of US$10,282 (US$10,626 for the year ended December 31, 2022) and improvements in railways and locomotives of US$3,842 (US$3,740 for the year ended December 31, 2022).

Brazil business segment:

Investments in the total amount of US$55,237 for the year ended December 31, 2023 (US$53,272 for the year ended December 31, 2022), primarily due to improvements in the production process for the full utilization of the capacity of certain units and optimization of existing machines with future benefits.

Impairment provision

The Group performs its property, plant and equipment impairment test annually or when the circumstances indicate that the carrying amount may be impaired.

The Group's impairment test for property, plant and equipment is based on estimates of the recoverable amount per cash-generating unit, as the higher of fair value less cost to sell and value in use. To estimate the value in use, the estimated future cash flows are discounted using a discount rate that reflects market appreciations at the end of the period regarding the time value of money considering the risks specific to the assets involved.

The Group has considered various factors when reviewing the impairment indicators, such as market capitalization, participation in each of the operating segments, unused installed capacity, trends in industry, among other factors.

As of December 31, 2023, there are no relevant indicators that property, plant and equipment could be impaired when comparing its contribution to the cash generation for the group, with exception of impairment losses recognized to specific assets that were impaired in the twelve-month period ended December 31, 2023, due to their market value depreciation, mainly in Brazil. See Note 18 for further information. Regarding Company's going concern analysis, please refer to Note 1 above.

8. Other intangible assets and goodwill

	12.31.2023	12.31.2022
Other intangible assets:		
Software licenses	5,446	7,917
Mining rights and concession related assets	76,943	83,837
Project development costs	119	227
Trademarks, patents and others	9,439	6,502
	91,947	98,483

Impairment analysis

Goodwill is subject to impairment tests annually in the last quarter of the year, or whenever there are indications of impairment. The impairment tests are prepared based on the recoverable amounts of each of the corresponding business segments (cash generating units as indicated in Note 25).

Attending to business model and considering the financial statement structure adopted for management purposes, goodwill is attributed generally to each business segment, due to the existence of synergies between the units of each segment in a perspective of vertical integration of business.

The recoverable value of each group of cash-generating units is compared, in the tests performed, with the respective recognized value of assets and liabilities ("book value"). An impairment loss is only recognized when the book value exceeds the higher of the value in use and transaction value, based on cash flow projections under medium and long term business plans approved by the Board of Directors, plus perpetuity.

Given Company's going concern assessment (see Note 1), for the Goodwill impairment testing management considered in 2023 both value in use and transaction value assessments for our business segments in Brazil and Argentina. Based on our assessment, Management concluded that both value in use and transaction values are higher than the book values and, therefore, no impairment was deemed necessary.

Cash Flow projections

The Group annually or when there is impairment indicatives revises assumptions underlying to the determination of recoverable amount of liquid assets, considering the estimate of future cash flows which reflect, among others, a set of estimates related to market growth, market share, investments and costs.
In general, the plan was projected by applying growth rates for the markets, considering estimated GDP growth for related economies, leading to expected demand growth for building materials.

Brazilian and Argentina business segments considered a cash flow projection of 10 years, since Management believes periods above 5-year can be reasonably projected and a 10-year cash flows better reflects the market cycles. Additionally, the new plant L'Amalli in Argentina commenced its operations in 2021 and the 10-year cash flows better reflect the ramp-up of such plant and, consequently, the value in use of the cash generating unit.

In preparing the cash flow projections, Management considered the best assumptions available as of December 31, 2023. In assessing such best assumptions, Management took into consideration continuance of the conflict between Russia and Ukraine and its indirect impacts in global market (increase in interest rates, inflation, country risks, etc). See Note 1 above for further consideration.

Determination of discount rate

Discount rates are calculated for each cash generating unit based on risk-free rate adjusted by the country risk premium, among other parameters.

The determination of the value in use was based on discounted cash flows calculated in local currency, using the corresponding Weight Average Capital Cost ("WACC") and perpetuities rates, for each segment business, as follows:

	12.31.2023		12.31.2022	
Goodwill per operating segments:	Goodwill	"WACC" rate (*)	12.31.2022	"WACC" rate (*)
Brazil	567,749	11.62%	526,853	12.90%
Argentina	199,841	129,76% - 46.07%	185,657	105.76% - 61.63%
Mozambique	-	-	37,756	17.60%
South Africa	-	-	87,459	13.30%
	767,590		837,725	

(*) Discount rate calculated after taxes.

For Argentina business segment, due to hyperinflationary environment, "WACC" rate is built through a multi-year composition, referring to the first year of the projection, and varies thereafter according to the inflation rate and country risk premium variations ("Rolling WACC").

In 2023 Goodwill allocated to South Africa and Mozambique in the total amount of US$118,217 was derecognized upon the completion of the sale of such business as mentioned in Note 2.1. In 2022, other intangible assets and goodwill allocated to Egypt, in the amount of US$12,477, were fully impairment presented as "Assets classified as held for sale" in the Statements of financial position.

Sensitive analysis

Considering the discounted future cash flows of December 31, 2023, the Group calculated the eventual impact of changes in the discount rates and EBITDA margins on all our business segments projections. As a result, an increase on the below percentages to our discount rates or a decrease of the below percentages to our EBITDA margins would generate the need to record additional impairment losses in the following amounts (if needed):

WACC sensitive analyzes	1.00%	2.00%	3.00%	4.00%	5.00%	6.00%
Impairment BR	-	-	-	-	-	(36,728)
Impairment AR	-	-	-	-	-	-
EBITDA Margin sensitive analyzes	**-1.00%**	**-2.00%**	**-3.00%**	**-4.00%**	**-5.00%**	**-6.00%**
Impairment BR	-	-	-	-	-	-
Impairment AR	-	-	-	-	-	-

Changes in intangible assets in the year ended December 31, 2023 and 2022 were as follows:

	Software licenses	Mining rights and concession related assets	Project development costs	Trademarks, patents and others	Goodwill	Total
Balance as of December 31, 2021	5,625	83,885	914	16,586	802,209	909,219
Effects of hyperinflationary monetary adjustment (Note 2.1)	1,564	-	-	-	284	1,848
Additions	4,240	7,359	112	6,170	-	17,881
Disposals	-	(1,169)	(94)	(1,805)	-	(3,068)
Amortization	(2,543)	(11,864)	(662)	(527)	-	(15,596)
Impairment reversal (provision)	-	1,164	-	138	-	1,302
Effect of changes in exchange rates	(931)	4,462	23	(5,106)	38,651	37,099
Discontinued operations (Note 2.24)	(38)	-	(66)	(8,954)	(3,419)	(12,477)
Balance as of December 31, 2022	7,917	83,837	227	6,502	837,725	936,208
Effects of hyperinflationary monetary adjustment (Note 2.1)	1,191	-	-	-	259	1,450
Additions	1,292	2,752	-	7,224	-	11,268
Disposals	(39)	-	-	(16)	-	(55)
Amortization	(3,334)	(8,534)	(130)	(509)	-	(12,507)
Effect of changes in exchange rates	(1,690)	4,907	14	576	47,813	51,620
Assets classified as held for sale	-	-	(4)	-	-	(4)
Transfers	109	3,978	12	(3,328)	-	771
Discontinued operations (Note 2.24)	-	(9,997)	-	(1,010)	(118,207)	(129,214)
Balance as of December 31, 2023	5,446	76,943	119	9,439	767,590	859,537

9. Borrowings and Financing

Functional Currency	Business unit	Type of financing	Currency	Annual Interest rates	Maturity	12.31.2023		12.31.2022	
						Current	Noncurrent	Current	Noncurrent
BRL	Holdings and Financial Vehicles (*)	Promissory note (**)	BRL	3% + 100% CDI	Mar-23	-	-	13,417	-
BRL	Holdings and Financial Vehicles (*)	Bilateral	BRL	3% + 100% CDI	May-23	-	-	19,168	-
ARS	U.N. Argentina	Bilateral	USD	US Libor + (7.5% to 8.0%)	Jul-24	-	-	3,900	56,000
ARS	U.N. Argentina	Bilateral	ARS	17%-112%	Jan/24	888	-	-	-
ARS	U.N. Argentina	Bilateral	USD	17%-28%	Jul-24	147	-	425	-
ARS	U.N. Argentina	Working capital	ARS	93% - 103%	Jan/24	7,709	-	52,899	-
BRL	U.N. Brazil	Subsidised loan	BRL	2.50% - 5.00%	Dec-24	1,826	-	1,876	1,545
BRL	U.N. Brazil	Bilateral (***)	BRL	IPCA	Jul-26	10,919	6,538	8,511	7,811
MZN	U.N. Mozambique	Bilateral (**)	MZN	Prime Rate - 3%	Mar-25	-	-	-	15,815
ZAR	U.N. South Africa	Bilateral (**)	ZAR	Jibar + 2.9%	Dec-27	-	-	5,898	32,439
						21,489	6,538	106,094	113,610

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate and trading entities.

(**) The borrowings contains certain restrictive financial covenants, which are describe in section “covenants” below.

(***) Bilateral indexed to Extended National Consumer Price Index (“IPCA”) is partially guaranteed by a financial investment in the amount of US$ 7,710 as of December 31, 2023 (US$6,326 as of December 31, 2022) – see Note 4 above.

As of December 31, 2023 and 2022, the incurred interest related to those financing agreements classified in current liabilities and presented as ‘Interest payable’ amount to US$0,234 and US$7,206, respectively.

Changes in Borrowings and Financing were as follows:

	Borrowings and financing
Balance as of December 31, 2021	161,364
New borrowings and financing	416,500
Payments	(289,570)
Discontinuing operations (Note 2.24)	(15,815)
Effect of changes in exchange rates	(52,775)
Balance as of December 31, 2022	219,704
New borrowings and financing	219,704
Payments	(273,919)
Discontinued operations (Note 2.24)	(45,654)
Effect of changes in exchange rates	(91,808)
Balance as of December 31, 2023	28,027

Maturity schedule

As of December 31, 2023, the non-current portions mature as follows:

Period	12.31.2023
2025	4,129
2026	2,409
	6,538

Covenants

The loans and financing agreements contain certain annual restrictive covenants, including change of control clauses and those requiring the maintenance of certain financial ratios, namely a Net Debt versus Adjusted EBITDA ratio, within pre-established parameters.

The Company and its subsidiaries monitor these ratios systematically and constantly to make sure the requirements are met. Such measurements are performed annually, which depends on conditions agreed upon on each contract entered into with the financial institutions.

The promissory note in the amount of US$13,417 requires that Net Debt / Adjusted EBITDA ratio to be no higher than 4.5x as of December 31, 2022. The amount was fully liquidated on January 26, 2023, see Note 26. As of December 31, 2022, the covenants conditions of the borrowings and financing mentioned above were met.

As of December 31, 2022, the covenants conditions were met in the South Africa (presented as discontinued operations - see Note 2.24).

10. Debentures

Functional Currency	Business unit	Instrument	Currency	Annual interest rate	Final maturity		12.31.2023 Current	12.31.2023 Noncurrent	12.31.2022 Current	12.31.2022 Noncurrent
EUR	Holdings and Financial Vehicles (*)	Senior Notes	USD	5.75%	July-24	a)	549,526	-	-	548,217
BRL	Holdings and Financial Vehicles (*)	Debenture	BRL	CDI + 3.75%	June-27	b)	111,801	255,748	66,304	312,578
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	b)	131,692	220,149	57,029	268,853
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	c)	77,459	126,992	33,113	157,379
ARS	U.N. Argentina	Senior Notes	ARS	Badlar + 2%	August-24	d)	31,710	-	-	-
ARS	U.N. Argentina	Senior Notes	USD	6.5%	December-25	e)	-	71,723	-	-
ARS	U.N. Argentina	Senior Notes	USD	7.49%	March-26	f)	-	55,000	-	-
ARS	U.N. Argentina	Senior Notes	USD	6.5%	May-26	g)	-	10,000	-	-
							902,188	739,612	156,446	1,287,027

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate and trading entities.

(a) In July 2014, the Senior Notes ("Notes") were issued by InterCement Financial Operations, B.V., with a payment maturity of 10 years. The notes were launched with coupon of 5.75% per annum and are listed at the Singapore Stock Exchange. As of December 31, 2023 and 2022, the Group holds bonds at the face value of US$199,812.

(b) On June 8, 2020, the Company issued two Debentures, one by InterCement Participações S.A in the amount of US$579,502 (R$2,976,666 thousands) and another by InterCement Brasil S.A. in the amount of US$330,989 (R$1,700,161 thousands). The interest expenses are presented separately in the statements of financial position as 'Interest payable'. On September 30, 2021, InterCement Participações S.A. partially prepaid a principal amount of US$183,844 (R$1,000,000 thousands) and on February 02, 2023, partially prepaid a principal amount of US$39,611 related to the instalment that was due in June, 2023, with proceedings coming from the sale of Egypt business segment (see Note 1).

(c) On September 30, 2021, InterCement Brasil S.A. issued new Debentures in the amount of US$183,844 (R$1,000,000 thousands). The commission fees were US$1,697 (R$9,230 thousands) and it will be amortized during the lifetime of the loan using the effective interest method.

(d) On February 22, 2023, Loma Negra tendered its Class 1 Negotiable Obligations, obtaining as a result a face value of ARS 25,636,250 thousand (equivalent to US$133,261), with interest rate of BADLAR + 2%, and a 18 months maturity.

(e) On June 21, 2023, Loma Negra tendered its Class 2 Negotiable Obligations, obtaining as a result a face value of US$71,723 with interest rate of 6.5%, and a 30-month maturity.

(f) On September 1, 2023, Loma Negra tendered its Class 3 Negotiable Obligations, obtaining as a result a face value of US$55,000 with interest rate of 7.49%, and a 30-month maturity.

(g) On November 1, 2023, Loma Negra tendered its Class 4 Negotiable Obligations, obtaining as a result a face value of US$10,000 with interest rate of 6.5%, and a 30-month maturity

The instruments mentioned in items "b" and "c" are guaranteed by Loma Negra shares held by the Company. The debentures will be mandatorily redeemable in May 2024 if the Group is unable to refinance its existing senior notes due in July, 2024.

The Company successfully concluded an arrangement with the debenture holders regarding the temporary deferral of payments (principal and interest) due on June 8, 2023 and December, 8 2023 in the amount of US$ 258,649. Under the terms of the agreement, the debenture holders of ICP reached a consensus to accept a partial payment amounting to US$20,359 (R$100,000 thousand) in June 2023. In December 2023, management obtained a waiver from the debenture holders postponing the payments or instalments (principal and interest) of such debts to May 8, 2024.

As of December 31, 2023 and 2022, the incurred interest expenses classified in current liabilities and presented as 'Interest payable' amount to US$159,957 and US$24,709, respectively.

Changes in Debentures were as follows:

	Debentures
Balance as of December 31, 2021	1,384,628
Effect of changes in Exchange rates, comissions and other	58,845
	1,443,473
Balance as of December 31, 2022	1,443,473
New debts	214,976
Payments	(38,241)
Effect of changes in exchange rates	21,592
Balance as of December 31, 2023	1,641,800

Maturity schedule

As of December 31, 2023, the debentures mature as follows:

Period	12.31.2023
2025	242,635
2026	306,504
2027	190,473
	739,612

Covenants

Debentures and Senior Notes contain certain restrictive covenants that require compliance with financial ratios calculated based on the Company's consolidated financial statements.

Debentures

The financial covenants are measured by the Net Debt over Adjusted EBITDA. For 2023, the limit is 4.85X in 2023; 3.85X in 2024 and 3.35X from 2025 until 2027.

Also, for the new debentures issued on September 30, 2021, the Company agreed with the debenture holders' compliance with net leverage, measured by the Net Debt over Adjusted EBITDA based on consolidated financial information of InterCement Brasil S.A. (Company's subsidiary in Brazil). In 2023, the limit is 2.75X in 2023; 2.50X in 2024 and 2.00X from 2025 until 2027.

As of December 31, 2023, management obtained a waiver for the obligation to comply with these financial covenants as formally approved in the minutes of the Bondholders General Meeting on December 7, 2023. As of December 31, 2022, the financial covenants were met.

Senior notes

The non-compliance with covenant (ratio Net Debt / EBITDA of 4.5) foresees that the Company operates with certain restrictions, being the principal ones:

i) Limitation in US$500,000 for new debts, provided it is not used to refinance the existing debt;
ii) Restrictions on certain payments, such as dividends to shareholders above the statutory minimum legal required amount;
iii) Dividends limitation of US$25,000 per year, on a cumulative basis, for preferred shareholders after the Senior Notes issuance (July/2014).

As of December 31, 2023, the conditions were met.

11. Provisions and Contingent assets and liabilities

The Group is subject to tax, civil and labor risks. Management periodically reviews known contingencies, assesses the likelihood of losses and recognizes corresponding provision based on its legal counsel's opinion and other available data at the date of the annual reporting period.

The provision for risks is demonstrated as follows:

	12.31.2023	12.31.2022
Labor and social security	9,559	7,359
Tax (a)	8,277	12,023
Civil and other (b)	2,008	2,322
	19,844	21,704
Judicial deposit (b)	(1,628)	(2,645)
Total	18,216	19,059

(a) Brazil: Refer to tax assessment notices and lawsuits amounting to US$623 (US$1,305 as of December 31, 2022) mainly related to discussions of: (i) Income Tax (IRPJ) / Social Contribution (CSLL) update by the SELIC rate and Unconstitutionality of monetary correction, and (ii) Social Security Contribution: Accident Prevention Factor (FAP).

InterCement Participações S.A: Refers to legal dispute regarding the charging of financial transaction services over purchasing and reselling InterCement Portugal´s shares occurred in 2014 in the amount of US$3,923 (US$3,371 as of December 31, 2022).

InterCement Portugal: Refers basically to the provisions for tax risks related to income tax, amounting to US$2,985 as of December 31, 2023 (US$6,582 as of December 31, 2022), which are being challenged in courts. In 2023, as result of favourable decision, the provision was reduced in the amount of US$3,939 against income tax expenses (see Note 16 below).

(b) The Group has escrow deposits related to the labor and social security, tax, civil and other risks as follows:

	12.31.2023	12.31.2022
Labor and social security	929	1,089
Tax	497	1,180
Civil and other	91	279
Environmental	111	97
Total	1,628	2,645

Changes in the provision for risks for the years ended December 31, 2023 and 2022 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance as of December 31, 2021	6,739	17,940	23,431	(1,947)	46,163
Effects of hyperinflationary monetary adjustment (Note 2.1)	1,421	265	(137)	-	1,549
Recognition/deposit	4,634	2,156	6,102	(973)	11,919
Payment	(3,948)	(1,124)	(1,549)	404	(6,217)
Reversal	-	(5)	(199)	-	(204)
Transfers	-	(853)	853	-	-
Discontinued operations (Note 2.24)	(690)	(3,617)	(17,167)	-	(21,474)
Exchange differences	(797)	(2,739)	(9,012)	(129)	(12,677)
Balance as of December 31, 2022	7,359	12,023	2,322	(2,645)	19,059
Effects of hyperinflationary monetary adjustment (Note 2.1)	1,475	(709)	1,679	-	2,445
Recognition/deposit	5,421	1,058	665	(223)	6,921
Payment	(2,484)	(402)	(709)	1,408	(2,187)
Reversal	-	(3,493)	-	-	(3,493)
Discontinued operations (Note 2.24)	-	-	(1,742)	-	(1,742)
Effect of changes in exchange rates	(2,212)	(200)	(207)	(168)	(2,787)
Balance as of December 31, 2023	9,559	8,277	2,008	(1,628)	18,216

Contingent liabilities

In the normal course of its business the Group is involved in several legal cases and complaints relating to its labor and social security, tax, civil and other risks, which the likelihood of loss is assessed as possible as per IAS 37, or less likely than not of loss for uncertain income tax positions (in respect of income taxes) as per IFRIC 23.

As of December 31, 2023, and December 31, 2022, the Group has the following exposure:

	12.31.2023	12.31.2022
Labor and social security	13,382	14,376
Tax and uncertain income tax position (a)	1,579,960	1,389,524
Civil, administrative and other (b)	248,958	226,295
	1,842,300	1,630,195

The most significant contingencies are:

a) Tax and uncertain income tax position

Brazil – InterCement Brasil S.A.

Risk exposure amounts to US$1,157,124 as of December 31, 2023 (US$1,022,996 as of December 31, 2022) and refers mainly to administrative and judicial proceedings related to: administrative and judicial proceedings related to (i) PIS/COFINS – omission of revenue; (ii) PIS/COFINS - undue credit arising from freight expenses in the transfer of goods between industrial establishments and distributors; (iii) PIS/COFINS - non-approved compensation due to insufficient balance credits; (iv) PIS/COFINS – alleged non-payment; (v) COFINS – Interest on Equity; (vi) ICMS – use of credit; (vii) ICMS – rate differential (viii) ICMS – electricity; (ix) ICMS – freight; (x) ICMS – alleged lack of payment; (xi) ICMS – tax substitution; (xii) ISS – withholding tax; (xiii) ISS - reduction of the calculation basis; (xiv) ISS – non-payment; (xv) CFEM - absence of collection; (xvi) CFEM - difference in collection; (xvii) Social Security Contribution - Improper use of credit; (xviii) AFRMM – Merchant Marine Freight Supplement; (xviii) Social Security Contribution.

Brazil - InterCement Participações S.A.

Risk exposure amounts to US$183.632 as of December 31, 2023 (US$263,092 as of December 31, 2022) and refers mainly to ongoing challenges of taxable income earned abroad by subsidiaries and affiliated entities.

Other holdings

Risk exposure is US$21,851 as of December 31, 2023 (US$18,359 as of December 31, 2022) and refers to withholding taxes not collected.

Management and Company´s legal counsel believe the risk of an unfavourable outcome of this dispute is “less likely than not” and no provision was recorded.

Portugal

Under the Consolidated Income Tax Regime (RETGS), applicable to the Company and other Portuguese entities of the Group until the year 2000, intra-group results ("eliminated results"), amounting to US$292,932 as of December 31, 2023, and US$282,895 as of December 31, 2022 (equivalent to €265,000 thousand in both periods), were generated due to property, plant and equipment sales between group companies.

During the Corporate Income tax (CIT) inspection of the fiscal year 2016, the Tax Authority requested the provision of information relating to such property, plant and equipment sales, with the purpose of assessing the need for possible adjustments to the Group's taxable profit in that fiscal year and in the fiscal years ending in 2017 and 2018, due to the transitional rules successively inserted in the State Budget Laws of the years 2016, 2017 and 2018, which required partial or total incorporation (in the event of termination of the Group) in those years of any taxable income that were still pending from taxation.

The final Income tax inspection Report for the year 2016 incorporated a correction of €98,926 thousands to the Group's Taxable base, corresponding to 25% (cf. Law No. 7-A / 2016, of December 31) of the eliminated results calculated by the Tax Authority by reference to December 31, 2015 and for that year an additional tax assessment of €4,201 thousands was received and is being contested. Even so, the amount of €4,100 thousands was already compensated with a Company tax credit. Therefore, there is no provision as of 2023 and 2022 related to 2016 inspection report.

The final Income tax inspection Report for the years 2017 and 2018 incorporated corrections to the Group available tax losses, and also for the above referred “eliminated results” partial incorporation, and accordingly additional tax assessments of US$22,665 (equivalent to €20,504 thousands) and US$62,989 (equivalent to €56,983 thousands), respectively for those years, were received and both are being contested, resulting in an exposure risk (plus interest) of US$85,654 (equivalent to €77,487 thousands) as of December 31, 2023.

Based on the opinion of the Company´s legal advisors, the risk of an unfavourable outcome on these disputes is “less likely than not”, therefore, no contingency provision was recorded.

b) Civil

Brazil

The main lawsuits relate to infraction against the economic order (“CADE), as described below:

Administrative Council for Economic Defence (“CADE”)

The Company, along with other companies in the industry, is part of administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defense (“CADE”). In July 2015, CADE’s tribunal judged the administrative appeal presented by the Group under the process initiated in 2007 regarding competition in Brazil (as well by other involved companies), maintaining the condemnation decision about cartel formation and the imposition of a pecuniary fine and other accessory penalties. As of December 31, 2023, the fines imposed to the Group corresponds to US$222,000 and as of December 31, 2022, fines corresponds to US$182,002, besides the obligation to sell 20% of its installed capacity of the concrete assets in the relevant Brazilian markets in which the Company operates, among other accessory penalties.

After the referred administrative CADE's decision became final, the Group appealed judicially, having obtained, on October 22, 2015, the grant of the preliminary injunction to suspend all penalties imposed by CADE, by the presentation of real guarantees (two plants), until the final judgment decision. Such preliminary injunction decision was judicially appealed by CADE and was rejected. The proceeding did not have any significant change until December 31, 2023. Based on the opinion of the legal advisors, the risk of loss in court has been considered less like than not, therefore, no provision was recorded for this contingent liability.

12. Provision for Environmental Recovery

Changes in the provisions for environmental recovery in the years ended December 31, 2023 and 2022 are as follows:

	Environmental recovery
Balance as of December 31, 2021	12,688
Hyperinflationary monetary adjustment (Note 2.1)	2,129
Recognition	2,475
Payment	(1,408)
Effect of changes in exchange rates	(1,487)
Balance as of December 31, 2022	14,397
Hyperinflationary monetary adjustment (Note 2.1)	4,976
Recognition	2,843
Payment	(547)
Reversal	(165)
Effect of changes in exchange rates	(4,409)
Discontinued operations (Note 2.24)	(3,332)
Balance as of December 31, 2023	13,763

13. Related Parties

Transactions and balances between Group companies consolidated upon the full consolidation method were eliminated in the consolidation process and therefore are not disclosed herein. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, and include advances, loan agreements, sales and purchases of products and services.

The outstanding balance recorded within "Other Receivables" as non-current assets against HM Engenharia e Construções S.A., refers to properties (land) sold in 2019, with final maturity in 2028, and the balance recorded against Camargo Corrêa Desenvolvimento Imobiliário S.A., refers to properties (buildings) sold in 2021, which will be cash collected in 2024.

Balances as of December 31, 2023 and 2022 with related parties, are as follows:

	Current assets	Non current assets	Current liabilities		
	Other receivables	Other receivables	Trade payables	Other payables	Dividends payable
Affiliates:					
HM Engenharia e Construções S.A.	-	4,078	-	-	-
Camargo Corrêa Desenvolvimento Imobiliário S.A.	-	1,748	-	-	-
Construções e Comércio Camargo Corrêa S.A.	246	-	-	-	-
Others - ICB	10	-	-	1	-
ADMINISTRADORA PMV S A	-	-	-	11	-
CCII	-	-	12	-	-
Total as of December 31,2023	256	5,826	12	12	-
Total as of December 31,2022	228	5,677	77	41	280

Transactions conducted in the years ended December 31, 2023 and 2022 are as follows:

	Sales	Other operating income	Purchases/ expenses	Financial income
Affiliates:				
SUCEA PARTICIPACOES S A	-	-	284	-
VEXIA ADMINISTRADORA LTDA	-	-	148	-
Total as of December 31, 2023	-	-	432	-
Total as of December 31, 2022	-	-	1,180	275

Management compensation

The amount of US$4,657 was paid in the year ended December 31, 2023 and refers to short-term benefits, such as salaries, profit sharing and other benefits (US$3,409 for the year ended December 31, 2022). A long-term incentive plan for Senior Management of the Group was set for a period of 4 years (2021 through 2024) and the benefit is mainly determined based on financial and operational indicators. The constructive obligation as of December 31, 2023 is US$5,364 (US$3,040 as of December 31, 2022) and expenses incurred for the year ended December 31, 2023 is US$2,023 (US$ US$1,750 for the year ended December 31, 2022).

14. Right-of-use assets and lease liabilities

The changes of rights-of-use assets in the year ended December 31, 2023 and 2022 are demonstrated as follows:

Composition and movements of right-of-use assets

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other	Total
Cost						
As of December 31, 2022	12,758	76,666	3,700	32	595	93,751
Additions	4,181	14,794	927	-	356	20,258
Write-offs	(1,300)	(4,007)	(55)	-	-	(5,362)
Impairment	-	(121)	-	-	-	(121)
Discontinued operations (2.24)	(560)	(1,378)	-	(19)	-	(1,957)
Exchange difference	740	4,680	312	(13)	38	5,757
As of December 31, 2022	15,819	90,634	4,884	-	989	112,326
Additions	281	47,357	6,058	-	-	53,696
Write-offs (a)	(47)	-	(14)	-	-	(61)
Discontinued operations (2.24)	(2,271)	(1,056)	(8,059)	-	-	(11,386)
Exchange difference	(6,817)	17,044	(2,869)	-	(989)	6,369
As of December 31, 2023	6,965	153,979	-	-	-	160,944
(-) Accummulated depreciation						
As of December 31, 2022	(6,298)	(54,557)	(2,255)	(32)	(360)	(63,502)
Additions	(2,447)	(19,778)	(754)	(5)	(223)	(23,207)
Write-offs	1,300	3,215	27	-	-	4,542
Discontinued operations (2.24)	498	1,231	-	30	-	1,759
Exchange difference	(131)	(3,327)	394	7	(18)	(3,075)
As of December 31, 2022	(7,078)	(73,216)	(2,588)	-	(601)	(83,483)
Additions	(1,200)	(18,018)	(2,970)	-	-	(22,188)
Write-offs (a)	47	-	14	-	-	61
Discontinued operations (2.24)	1,415	442	4,098	-	-	5,955
Exchange difference	3,001	(10,335)	1,446	-	601	(5,287)
As of December 31, 2023	(3,815)	(101,127)	-	-	-	(104,942)
Balance as of December 31, 2023	3,150	52,852	-	-	-	56,002
Balance as of December 31, 2022	8,741	17,418	2,296	-	388	28,843

Changes in lease liabilities are as follows:

	Lease Liabilities
As of December 31, 2021	34,319
Additions, net of write-offs	19,438
Payments	(27,014)
Present value adjust	3,423
Discontinued operations (2.24)	(104)
Exchange difference	1,717
As of December 31, 2022	31,779
As of December 31, 2022	31,779
Additions, net of write-offs	53,696
Payments	(30,504)
Present value adjust	10,771
Discontinued operations (2.24)	5,821
Exchange difference	(8,854)
As of December 31, 2023	62,709

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The lease liabilities are broken-down as current and non-current and is aged as demonstrated below:

Lease liabilities included in the statements of financial position

	12.31.2023	12.31.2022
Current	13,674	11,151
Non-current	49,035	20,628
Lease liabilities	62,709	31,779

Lease liabilities - Maturity analysis

	Lease Liabilities
Less than one year	13,674
One to five years	48,506
More than five years	529
Lease liabilities	62,709

15. Shareholder's Equity

Share Capital

As of December 31, 2023, and 2022 share capital is represented by 55,279,765 registered shares without par value, of which 52,920,764 are common shares and 2,359,001 are preferred shares Class A.

Preferred Shares – InterCement Participações

Class A

The preferred shares (Class A) grant their holders the right to receive minimum dividends, not accumulating losses, do not grant voting rights in the Company's shareholders' meetings, and can be redeemed by decision of the Board of Directors. Any contractual obligations are guaranteed and recorded at Company's Parent Company; consequently, the Company does not have any contractual obligation assumed with such holders of the preferred shares.

Capital Reserves

Per Brazilian statutory law, after earnings reserves were fully consumed to absorb the losses of the year, the remaining losses, if any, should be absorbed by Capital Reserves. As of December 31, 2022, it was utilized US$14,454 to absorb the loss of the year, after fully utilizing Earnings Reserves. For the year ended December 31, 2023, it was utilized US$28,683 to absorb the loss of the year.

Earning reserves – Capital Budget

The Board of Director recommended the constitution of a retention reserve based on the capital budget of the Company. Due to losses in 2022, the retention reserve based on the capital budget of the Company was fully utilized to absorb losses of such year. For the year ended December 31, 2023, no reserve was established because the Company did not generate profit during the period.

Earning reserves – Legal

Based on Brazilian Corporate Law, the e Company established a Legal Reserve equivalent to 5% of the net income for the year. Due to losses in 2022, the retention reserve based on the capital budget of the Company was fully utilized to absorb losses of such year. For the year ended December 31, 2023, no reserve was established because the Company did not generate profit during the period.

Earning Reserves – Transaction with non-controlling interests

a) Brazilian subsidiary – acquisition of non-controlling interests

In the twelve-month period ended December, 2022, InterCement Brasil acquired from minority shareholders 5,360,083 preferred shares (equivalent to 2,94% equity interest) of its subsidiary Estreito disbursing cash in the amount of US$8,669 (R$43,787 thousands). The transaction resulted in a loss of US$7,602 (R$38,400 thousands) recorded as transaction with shareholders.

b) Argentinian subsidiary – acquisition of non-controlling interests of Loma Negra own shares in prior periods

For the twelve-month period ended December, 2022, Loma Negra acquired 3,043,500 own shares for a total cash disbursement of US$9,693, of which a loss of US$5,870 were attributed to Company´s owners and recorded as “Transactions with shareholders”. On the twelve-month period ended December, 2023, there was no purchase of own shares.

As of December 31, 2023 and 2022, Loma Negra had acquired 12,352,329 own shares for a total value of US$33,600, which is equivalent to 3.52% of total shares.

c) Others transactions with non-controlling interests

For the twelve-month period ended December, 2022, the Group realized some minor restructuring in Mozambique business segment that resulted in an increase in non-controlling interest and a decrease in transaction with shareholders of US$260 (non-cash transaction).

Dividends

The shareholders are entitled to annual minimum mandatory dividends equivalent to 25% of adjusted profit for the year as provided by the bylaws and the Brazilian Corporate Law. In 2023 and 2022, due to losses for the year attributable to Company´s owners, the Company did not constitute any minimum mandatory dividends.

Other comprehensive income (loss) attributable to the Company´s owners

Other comprehensive income (loss) attributable to Company´s owners of US$33,385 (US$140,732 for the year ended December 31, 2022) corresponds to: (i) negative equity recognition of actuarial losses on the liability to employees in the amount of US$151 net of taxes (positive of US$515 for the year ended 2022), (ii) negative equity recognition of exchange differences from translation of foreign operations in the amount of US$3,408,142 (negative of US$710,506 for the year ended 2022) of which a positive amount of US$31,846 relates to discontinued operations (see Note 2.24); (iii) positive equity recognition of derivative and hedging transactions amounting to US$872, net of taxes (positive US$853 for the year ended December 31, 2022); and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$3,374,036 (positive US$849,870 for the year ended December 31, 2022).

The exchange differences from translation of foreign operations from discontinued operation aforementioned (US$31,846) refers to the reversal to the statement of profit or loss of an accumulated loss of US$43,136 as a result of the Egypt segment disposal occurred in January 2023, partially offset by the accumulated gain of US$11,290 from the disposal of Mozambique and South Africa Segments which was recycled to the statement of profit or loss in December 2023 (see Note 2.24).

Non-controlling interests

Changes in non-controlling interests for the year ended December 31, 2023:

a) Other comprehensive income: the amount of US$80,275 corresponds to: i) equity recognition of actuarial loss on the liability to employees in the amount of US$146, ii) negative exchange differences from translation of foreign operations in the amount of US$3,207,988, iii) positive equity recognition of derivative, hedging and actuarial transactions amounting to US$3, and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$3,127,856.

b) Dividends declared and paid to non-controlling interests:

i. On December, 2023, special purposes entities (SPEs) controlled by Brazilian subsidiaries declared dividends to non-controlling interests in the amount of US$19,140 (R$92,662 thousands) related to 2023 results, which were not yet paid.

ii. For the twelve-month period ended December 31, 2023, special purposes entities (SPEs) controlled by Brazilian subsidiaries declared dividends to non-controlling interests in the amount of US$7,680 (R$37,869 thousands) related to 2022 results (US$20,104 for the twelve-months period ended December 31, 2022 related to 2021 results).

iii. The Argentinian subsidiary (Loma Negra) paid in January, 2023 dividends of US$9,457 declared in December, 2022.

iv. On May and June, 2023, Argentinean subsidiary (Loma Negra) announced payment of dividends for a total amount of US$146,063. The payments occurred on May 5, 2023 and July 4, 2023, of which US$44,525 and US$25,623 respectively was paid to non-controlling shareholders.

v. African entities declared dividends to non-controlling interests in the amount of US$63.

Changes in non-controlling interests for the year ended December 31, 2022:

a) Other comprehensive income: the amount of US$49,690 corresponds to: i) equity recognition of actuarial gain on the liability to employees in the amount of US$224, ii) negative exchange differences from translation of foreign operations in the amount of US$740,154, iii) positive equity recognition of derivative, hedging and actuarial transactions amounting to US$3, and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of US$789,617).

b) Transaction with shareholders recorded directly in equity, following aforementioned transactions:

i. Acquisition of 3,043,500 own shares of Loma Negra during the year ended December 31, 2022 for a total cash disbursement of US$9,693, of which a loss of US$3,823 were attributed to noncontrolling interests;

ii. The Brazilian subsidiary InterCement Brasil S.A. and non-controlling shareholders of the special purposes entities (Barra Grande, Estreito and Participações) decided to reduce the share capital proportionally to their interests in these entities. The share capital reduction by cash disbursement to the non-controlling interests amounted to US$2,904 (R$14,673 thousands);

iii. The Brazilian subsidiary acquired from non-controlling shareholders 5,360,083 shares of Estreito Participações S.A. with a book value of U$1,067 (R$5,387 thousands), reducing non-controlling interests;

iv. Other transactions with non-controlling interests resulting in an increase of US$260 in minority interests.

c) Dividends declared and paid to non-controlling interests:

i. In April, July and December, Argentinean subsidiary (Loma Negra) declared dividends to non-controlling shareholders of US$21,566, US$39,161 and US$9,458, respectively, totaling US$70,185, of which US$60,727 were paid in 2022 and US$9,457 in 2023. The liability was recorded within “other payables” as of December 31, 2022.

ii. Special purposes entities (SPEs) controlled by Brazilian subsidiaries paid dividends to non-controlling interests in the amount of US$20,104;

iii. African entities declared and paid dividends to non-controlling interests in the amount of US$153

Preferred shares of special purposes entities (Brazilian segment)

Preferred shares for its special purpose entities (“SPE”) of Barra Grande Participações, Machadinho Participações and Estreito Participações are held by non-controlling entities. These preferred shares have certain specific characteristics, in particular, in terms of:

• Right to priority dividends of the profit and/or reserves distributed in each year;

• Absence of voting rights (except for specific matters established in the corresponding statutes);

• Priority relating to the common shares in case of liquidation;

• Be converted into common shares (conversion rights);

• Non-participation in future capital increases.

There is also contracts clauses establishing a set of assumptions which regulate terms of an eventual divestment by the holders, including rights to receive minimum dividends, as well as rights to convert preferred shares into common shares. The Company is not required or obligated to repurchase these preferred shares any time.

Considering all contract characteristics, attending to the disposals of IAS 32, the referred instruments (either Barra Grande, Machadinho and Estreito) acquire characteristics of equity and financial instruments components, taking into account that those instruments simultaneously incorporate components that can be classified as an equity instrument and a financial instrument (financial asset or liability). Consequently, these components were measured and recognized separately in the financial statements, as follows:

a) The initial contribution received as a consideration of such preferred shared by InterCement Brasil was classified as an equity instrument, taking into consideration that, under the terms established, there is no obligation to repurchase those shares (obligation to deliver cash or other financial assets), as well as convertibility clauses in common shares (by option of the shareholders) and their respective dividends;

b) There are also contractual clauses regarding to options of minimum return and possible coverage of significant devaluation of these investments, for a period up to seven years or by the holders during that period, respectively. Such options generated gain or loss for the Company and such instruments were classified as derivative financial instruments and measured at fair value at the date of the financial statements.

As aforementioned, in the years ended December 31, 2023 and 2022, the SPEs declared and paid dividends to non-controlling interests.

16. Income Tax and Social Contribution

For the years ended December 31, 2023 and 2022 the reconciliation between the nominal and the effective income tax was as follows:

	12.31.2023	12.31.2022 (Restated)
Loss before income tax and social contribution	(184,900)	(152,880)
Group Tax rate	34%	34%
Income tax and social contribution at statutory rates	62,866	51,979
Adjustments to calculate income tax and social contribution at effective rate:		
Non-deductible losses due to liquidation of certain financial instruments in Argentina (note 19)	1,275	(24,926)
Non-deductible financial expenses in Spanish subsidiary (a)	(17,716)	(29,879)
Effect of differences in foreigner tax rates to Group tax rate (34%)	(12,287)	(18,780)
Permanent additions / (deductions), net	(1,313)	(8,428)
Deferred income tax and social contribution not recognized (b)	(32,225)	(4,103)
Write off of Deferred Tax Asset (c)	(33,553)	-
Other (d)	3,011	(12,246)
	(29,942)	(46,383)
Current Income tax and social contribution expense	(5,592)	(29,581)
Deferred Income tax and social contribution gain	(24,350)	(16,802)

(a) For the year ended December 31, 2023, it mainly refers to deduction of US$17,716 (deduction of U$29,879 for the year ended December 31, 2022) related to the effect of financial transactions recorded in the Spanish subsidiary that were excluded for tax purposes

(b) For the period ended December 31, 2023, it includes the effect from tax losses and/or tax temporary differences mainly in Brazil business segment, where deferred tax assets were not recognized, as a consequence of the deterioration of the projected taxable results mainly explained by the increase of financial expenses due to rising interest rates. Considering the going concern basis, additional deferred tax assets in such subsidiary will only be recognized when utilization of existing deferred taxes are observed and future projections demonstrate the full utilization will be accelerated, not exceeding the ten years period established at the initial recognition, ending in December 31, 2031 when the Company recognized US$175,948 (R$878,990 thousand) of previously unrecognized deferred taxes.

(c) The Company assesses the recoverability of deferred tax assets based on estimates of future earnings. The assessment of deferred assets on December 31, 2023, indicates that a portion of these taxes will not be realized by the estimated date. Therefore, a reversal of deferred taxes on tax loss and negative basis in the amount of US$ 33,553 recorded in previous years was recognized.

(d) For the year ended December 31, 2023, it mainly refers to (i) negative amount of US$2,323 related to the impact of monetary adjustment in Argentina due to hyperinflationary economy (a negative amount of US$4,714 for the year ended December 31, 2022); (ii) a negative impact of US$4,308 related to results recorded in our Spanish subsidiary that were eliminated for consolidation purposes as they were transactions between intragroup entities (a negative impact of US$14,444 for the year ended December 31, 2022). Such results are deductible for tax purposes in local books and, therefore, represent a permanent difference in the group effective tax rate; and (iii) positive amount of US$9,273 mainly generated by entities in Brazilian segment taxed under the presumed profit tax rules and other permanent differences in Brazil (positive amount of US$10,712 for the year ended December 31, 2022).

Deferred income tax and social contribution

Deferred income tax and social contribution were recognized on tax losses carry forwards and temporary differences in the recognition of revenues and expenses between tax and corporate books, to the extent considered realizable by the subsidiaries.

Deferred income tax and social contribution are demonstrated as follows:

	12.31.2023	31.12.2022
Assets:		
Tax loss carryforwards (a)	75,088	100,303
Tax, labor and civil contingencies	11,392	8,554
Valuation of the useful lives of property, plant and equipment	48,981	44,826
Expected credit losses (accounts receivable)	1,152	1,946
Allowance for impairment losses (inventories)	8,874	10,285
Financial Instruments derivatives	7,688	9,604
Other temporary provisions	19,174	15,849
Total assets	172,349	191,367
Goodwill amortization (future earnings)	37,840	40,041
Exchange rate changes taxed on a cash basis	21,057	23,023
Deemed cost of property, plant and equipment	-	10,332
Useful life estimate of property, plant and equipment	137,191	185,021
Measurement of assets acquired at fair value (b)	31,407	44,899
Unrealized gain in reinsurance activities	-	4,009
Other temporary provisions	23,170	25,185
Total liabilities	250,665	332,510
Noncurrent assets	77,459	95,315
Noncurrent liabilities	155,775	236,458

(a) Recognition of deferred income tax assets over tax losses and temporary differences in Brazil

Deferred income taxes assets over tax losses and temporary differences are recognized when it is probable that future taxable profits will be available to compensate such credits.

The future taxable profits projections are derived from the business plan properly approved by the Board of Directors, carried out at nominal bases, observing the period of 10 year (which coincides with the business cycle), using as assumptions historical information, market sources and Management´s best estimate to realize the temporary differences at current tax rates. The projections are not discounted to present value.

Based on the respective assessment, on December 31, 2021, the Brazilian subsidiary InterCement Brasil S.A. ("ICB") concluded that it was probable to generate sufficient future taxable income to record unrecognized deferred tax assets from prior periods, including temporary differences (whose realization was considered in the projections), having recognized in that year US$163,363 of deferred taxes not yet recognized.

InterCement Brasil S.A. assesses the realization of deferred tax assets at the end of each reporting period. The review carried out on December 31, 2023, indicated that part of the deferred tax assets recognized would not be realized until the previously estimated date (a 10 years-period from the initial recognition, up to 2031). Therefore, management proceeded with the partial derecognition of the deferred tax assets in the amount of US$33,552 (R$167,603 thousand), lasting recognized deferred tax assets in the amount of US$146,036 (R$706.815 thousand) in such subsidiary. Additionally, ICB did not recognize new deferred tax assets in 2023 due to the recurring losses from continuing operations observed in Brazil. The projections for the realization of the remaining deferred tax assets, in the amount of US$146,036, depend on the success of ongoing negotiations with Company's and ICB's creditors, as mentioned in Note 1 above, which will have a direct impact on projections of future taxable profits.

ICB's financial statements were issued on April 5, 2024, and the corresponding independent auditors' report included a paragraph related to the "Material uncertainty related to ICB's going concern" (due to the matters mentioned in Note 1 above, since ICB is a guarantor of the Company regarding the Senior Notes), and a qualified opinion related to the auditor's inability to conclude on the realization of the deferred tax assets in such subsidiary, due to the aforementioned "Material uncertainty related to ICB's going concern".

Furthermore, as of December 31, 2023, the Brazil segment has an accumulated balance of fiscal loss and negative base in the amount of US$386,680 (R$1,871,529). Therefore, there remains an amount of fiscal losses and negative base of US$185,284 (R$896,776) for which no deferred tax asset has yet been recognized, and in the event of an improvement in financial expectations, could enable the recognition of an additional deferred tax asset in the amount of US$68,474 (R$304,4904).

(b) Refers mainly to the revaluation of assets at fair value on the purchase price allocation resulted from the acquisition of former CIMPOR occurred in 2012.

As of December 31, 2023, the deferred income tax assets over tax losses is US$75,088 (US$100,303 as of December 31, 2022), which corresponds to a tax losses bases of approximately US$407,044 (US$280,435 as of December 31, 2022). The expected recovery of such assets is as follows and they are substantially concentrated in Brazilian business segment:

	12.31.2023
2023	2%
2024	7%
2025	9%
2026	13%
2027	15%
After 2027	53%

The Company has additional US$ 941,873 (US$952,672 as of December 31, 2022) consolidated tax losses basis among the segments and holding entities and jurisdictions (primarily in holding entities), for which corresponding deferred tax assets where not recognized due to the lack of availability of probable future taxable income.

17. Net sales

The breakdown of the Company's net sales for the years ended December 31, 2023 and 2023 is as follows:

	12.31.2023	12.31.2022 (Restated)
Products sold	1,639,207	2,074,855
Services provided	52,547	77,518
(-) Taxes on sales	(227,207)	(226,071)
(-) Discounts	(257,074)	(366,688)
Total	1,207,473	1,559,614

Taxes on sales comprise federal, state and municipal taxes such as Federal VAT, State VAT, Taxes on Revenues, and Service Tax.

18. Information on the Nature of the Costs and Expenses Recognized in the statements of profit or loss

The consolidated statements of profit or loss is presented based on a classification of expenses according to their function. Information on the nature of such expenses is as follows:

	12.31.2023	12.31.2022 (Restated)
Depreciation and amortization	(123,959)	(159,432)
Impairment losses, net (a)	(311)	(1,163)
Salaries and employee benefits	(167,534)	(207,948)
Raw materials and consumables	(203,592)	(241,767)
Tax expenses	(23,158)	(30,607)
Outside services	(66,404)	(56,891)
Rental	(2,179)	(2,726)
Freight expenses	(130,823)	(162,375)
Maintenance costs	(65,219)	(79,575)
Fuel	(206,133)	(248,344)
Electricity	(60,123)	(77,242)
Specialized work	(30,337)	(45,289)
Recognition of inventories and trade receivable impairments	(894)	2,513
Gain (Loss) on sale of property, plant and equipment	10,040	24,324
Other (b)	(19,391)	(35,468)
Total	(1,090,017)	(1,321,990)
Cost of sales and services	(970,534)	(1,201,571)
Selling expenses	(54,055)	(72,564)
Administrative expenses	(86,615)	(80,253)
Other income/(expenses)	21,187	32,398
Total	(1,090,017)	(1,321,990)

(a) For the year ended December 31, 2023 and 2022 refers to impairment of certain fixed assets in Brazilian business segment in the amount of US$311.and US$1,163, respectively.

(b) In the year ended December 31, 2023, it includes: i) the gain from the sale of reinsurance business assets in the amount of US$11,331; ii) the recognition of extemporaneous tax credit in Brazil in the amount of US$3,302, resulting from a favourable court decision from a dispute regarding the possibility to reduce from tax basis interests and fines; and iii) the recognition of discount associated with the operation of sale of PIS/Cofins credits in the amount of US$ 6,669.

19. Financial Income (expenses) and Foreign exchanges gains/(losses), net

	12.31.2023	12.31.2022 (Restated)
Foreign exchange gain (losses), net (a):		
Exchange gain	164,458	166,813
Exchange loss	(325,470)	(301,176)
Total	(161,012)	(134,363)
Financial income:		
Inflation adjustment	4,942	8,182
Effects of Hyperinflationary monetary adjustments (b)	166,349	78,463
Financial earnings	10,799	21,228
Interest income	419	350
Derivative financial instruments	307	550
Other income	1,895	953
Total	184,711	109,726
Financial expenses:		
Inflation adjustment (c)	(20,047)	(8,166)
Exchange rate difference on cancellation of foreign currency loans (d)	-	(108,709)
Expenses on interest and charges (e)	(267,376)	(221,927)
Expenses on banking commissions	(3,862)	(4,470)
Fines	(1,265)	(633)
Derivative financial instruments	(4,415)	(376)
Lease liabilities present value	(10,771)	(3,282)
Other expenses (f)	(18,319)	(18,304)
Total	(326,055)	(365,867)

(a) The exchange differences are mainly influenced by the appreciation and depreciation of functional currencies against other currencies (mainly US$ and Euro). On May 2, the Argentinian subsidiary (Loma Negra C.I.A.S.A.) distributed dividends in kind through the delivery of “LEDE” (Bills of the national treasury in pesos) in the amount of US$46,880 (ARS 22,200,000 thousands), with maturity in June 30, 2023. Those bills were discounted by Intercement Trading & Inversiones at Eurobank resulting in a foreign exchange loss of US$23,370.

The year ended December 31, 2023 was impacted by the devaluation of the Argentine peso by 356% compared to the previous year, resulting in a more substantial impact on the Negotiable Obligations denominated in U.S. dollars held by the Argentine segment. The year ended December 31, 2022 was significantly impacted by the devaluation of Euro against Brazilian Reais and U.S.dollars. Afterwards, since the inception of the net investment concept in July, 2022 (see Note 22.4), such exchange variation exposure was eliminated.

(b) It relates to the application of hyperinflationary monetary adjustments in Argentinean business due to the application of IAS29 – Hyperinflationary economy (see Note 2.2). The variation is mainly explained by the increase in the monetary adjustments rates, which for the year ended December 31, 2023 it was 211,41% against 94.79% in the comparable period, primarily in the last days of December after the presidential election.

(c) In the year ended December 31, 2023, it substantially refers to the SELIC monetary accretion on the discount value resulting from the operation of sale of recoverable PIS/COFINS credit in the amount of US$8,976, since originally it was allocated to the financial result.

(d) This caption primarily includes the loss of US$108,709 from the cash disbursement of US$96,730 recorded by the Argentinian subsidiary resulting from the liquidation of certain loans obtained in dollars (see Note 24.4 for further information). Such loss is only tax deductible under certain specific situation and, therefore, it was not recorded the equivalent deferred income tax assets of US$24,926.

(e) For the year ended December 31, 2023, includes interests on debentures in the amount of US$ 155,069 (US$144,448 for the year ended December 31, 2022).

(f) For the year ended December 31, 2023 it includes: i) US$1,324 related to PIS and COFINS on financial income in Brazilian business segment (US$881 for the year ended December 31, 2022), ii) US$3,121 related to PIS and COFINS on financial income in InterCement Participações S.A., (US$3,366 for the year ended December 31, 2022),and iii) US$1,128 related to financial transaction expenses (IOF) at InterCement Participações S.A. (US$766 for the year ended December 31, 2022).

For the year ended December 31, 2022, other expenses includes (i) expenses incurred of US$4,247 related to PIS and COFINS on financial income in Brazilian business segment and (ii) as mentioned in Note 4, realized loss in securities of US$2,387 in InterCement Reinsurance.

20. Commitments

Purchase agreements

The subsidiary InterCement Brasil S.A. has a contractual agreement for the acquisition of hydroelectric power until 2024 and contracts “take or pay” for rail transport services, logistics services for storage, transport and handling until 2029, sale of clinker in accordance with the minimum stipulated in the contract until 2027, purchase of cement in accordance with the minimum stipulated in the contract until 2033, purchase of limestone and plaster in accordance with the minimum stipulated in the contract until 2027 and purchase of fuel in accordance with the minimum stipulated in the contract until 2024, whose estimated cash disbursements, in amounts nominal amounts are as follows:

	12.31.2023
2024	47,021
2025	24,969
2026	24,969
2027	24,969
After 2027	110,023
Total	231,951

Other subsidiaries are parties to contractual agreements for the purchase of inventories and property, plant and equipment, and the operation of facilities located in third-party properties, as follows:

	12.31.2023
2024	59,455
2025	48,296
2026	31,571
2027	24,051
After 2027	62,941
Total	226,314

The above balances refer mainly to the contracts signed by Loma Negra as detailed below:

The Argentina segment contains certain contractual commitments for the purchase of slag with effect until 2028, with estimated future cash flows of approximately US$ 6,539 (ARS 5,286,581 thousands) during 2024, and US$ 26,157 (ARS 21,146,322 thousands) between 2025 and 2028.

The Argentina segment also signed contracts (i) for the supply of gas, assuming payment commitments in the total amount of approximately US$38,780 (ARS 31,351,957 thousands) to be paid during 2024 and US$41,901 (ARS 33,875,103 thousands) to be paid between 2025 and 2027; and (ii) for the supply of energy in the amount of US$14,132 (ARS 11,425,161 thousands) to be paid during 2024 and US$98,799 (ARS79,874,513thousands) to be paid between 2025 and 2038.

21. Earnings (losses) Per Share

The table below shows the reconciliation of profit (loss) for each year with the amounts used to calculate basic and diluted per share:

	12.31.2023	12.31.2022 (Restated)
Loss for the period from continuing and discontinuing operations attributable to Company's owners	(260,995)	(262,560)
Loss for the period attributable to common shares	(260,995)	(262,560)
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted loss per common share	(4.93)	(4.96)
Loss for the period from continuing operations attributable to Company's owners	(243,254)	(223,161)
Loss for the period attributable to common shares	(243,254)	(223,161)
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted loss per common share	(4.60)	(4.22)

22. Insurance

The businesses of InterCement Group are covered through a Master Policy with international insurance company for property damage and business interruption with indemnity limits up to US$165,810 (€150,000 thousands) per insured event and liability risks with indemnity limits up to US$16,581 (€15,000 thousands) per insured event.

Argentinian and Brazilian business´s liability risk is not covered by this Master Policy and insurances is contracted directly by Loma Negra and its subsidiaries and by InterCement Brasil S.A. and its subsidiaries.

The scope of the work of our auditors does not include the issuance of an opinion on the sufficiency of the insurance coverage, which was determined by Management and which considers it sufficient to cover any claims.

23. Guarantees

The comfort letters and guarantees given within the Group, in the amount of US$1,639,883 (US$1,573,000 as of December 31, 2022), relates to financial liabilities already reflected in the consolidated financial position. In addition, as of December 31, 2023, several Group companies has given guarantees with third parties, mainly related with tax legal disputes in the business segment of Brazil and Portugal, in the amount of US$246,000 (US$214,000 as of December 31, 2022).

24. Financial Instruments

The Group conduct transactions involving financial instruments, including derivatives, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. The Group contracts short-term investments, borrowings and financing, as well as derivatives.

As mentioned in Note 1 above, Egypt, Mozambique and South Africa segment was sold in 2023, and, therefore, was excluded from the tables below.

24.1 Capital risk management

The Group capital structure consists on net debt and equity. The Net Debt comprises borrowings and financing and debentures less the cash and cash equivalents, current securities and derivatives. Interest payable and lease liabilities are not included within the net debt.

As mentioned in Note 9 and 10, the Company is subject to certain covenants metrics, as the ratio Net Debt / Adjusted EBITDA. The breach of such covenants can lead to the anticipation due date of the borrowings and financing and debentures.

For the purpose to determine the metrics aforementioned, the adjusted EBITDA is calculate as profit or loss from continuing and discontinuing operations adjusted by (i) financial income (expenses),(ii) income taxes and depreciation and amortization costs and expenses; (iii) plus or minus impairment loss and reversal, plus taxes on financial transactions in Argentinian businesses segment, plus or minus non-recurring expenses or gains.

Gross Debt is calculated as the sum of current and non-current borrowings and financings and debentures (excluding interest payable, current and non-current obligations under finance leases and other financing liabilities, such as confirming).

Senior Debt is calculated as the sum of Gross Debt and the obligations under finance leases.

24.2 Financial risk management

General principles

During its normal business activities, ICP Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk is deemed to mean the probability of obtaining a positive or negative outcome different to that expected, and which materially and unpredictability may result in changes in the Group's net worth.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;

- Curbing deviation from forecasted financial information by means of meticulous financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information needs and also external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions. Therefore the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. These operations are undertaken with financial entities with which International Swaps and Derivatives Association (ISDA) contracts were completed in advance, in accordance with international standards.

The treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

24.3 Interest rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the later case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps can be contracted to hedge this type of risk, in accordance with the Group's expectation concerning the development of market rates.

As of December 31, 2023 and 2022, there were no hedge instruments contracted to protect such risk.

<u>Exposure to interest rate risks and to floating and fixed rates</u>

The Group is exposed to floating interest rates and inflation rates mainly related to changes in the IGP-M, CDI, IPCA and Badlar on borrowings and debentures. Interest rates on short-term investments are mostly linked to the CDI fluctuation. These positions are as follows:

	Borrowings and financing	Debentures	Cash and cash equivalents	Securities	Other payables	12.31.2023	12.31.2022
Assets:							
CDI	-	-	94,774	7,711	-	102,485	112,283
Repo Rate	-	-	-	-	-	-	7,986
Total	-	-	94,774	7,711	-	102,485	120,269
Liabilities:							
IGP-M	-	-	-	-	10,825	10,825	10,567
CDI	-	923,840	-	-	-	923,840	927,841
LIBOR	-	-	-	-	-	-	59,900
Badlar	-	31,710	-	-	-	31,710	-
IPCA	17,457	-	-	-	-	17,457	16,322
Prime Rate							15,815
JIBAR							38,337
Total	17,457	955,550	-	-	10,825	983,832	1,068,782

As of December 31, 2023 and 2022 the Group's borrowings and financing and debentures by type of interest rate, considering derivative financial instruments, between floating and fixed rate, are as follows:

	12.31.2023	12.31.2022
Floating rates	58%	63%
Fixed rates	42%	37%

24.4 Exchange rate risk

The Group is exposed to the exchange-rate risk for the currencies of different countries due to the amounts of capital invested in those countries where functional currency is different from Group functional currency.

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments made in those countries.

When hedging the exchange-rate risk, swaps and forward contracts and with maturities equivalent to the instrument that serves as a hedging basis, are contracted.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency, results in the search for natural hedge strategies. In this respect there was a seeking to increase the debt of the Business Units in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

Additionally, considering the current exchange regulations existing in Argentina, the official exchange rates, which are considered by the Argentinian subsidiary to record any unrealized gain or loss resulting from changes in exchange rates as per IAS 21 — The Effects of Changes in Foreign Exchange Rates, might be considerable different from the exchange rates actually used when collecting financial assets or liquidating financial liabilities in a foreign currency (mainly U.S. dollars). This is mainly due to the U.S. dollars and other foreign currencies constrains in Argentina market, causing the effect "dollar blue" where the U.S. dollar can be worth twice as much in peso terms when exchanged.

Therefore, the Group is constantly monitoring the alternatives to collect financial assets and liquidate financial liabilities in foreign currency (other currencies than Argentinian Pesos) and their corresponding impacts. The realized profit or loss derived from the use of alternative financial instruments to liquidate operations in foreign currency is recognized at the time the Argentinian subsidiaries unconditionally commits or executes such financial asset or liability in kind ("cash"). As of December 31, 2023, in case such instruments were used for the liquidation of the aforementioned operations, would result in a negative impact of approximately 21% over the net position in dollars.

Likewise, for the year ended December 31, 2023, there was no collection or liquidation of financial assets or liabilities in foreign currency in Argentina, therefore, no impact in the Statement of profit or loss for the periods.

Exposure to foreign exchange risk

The Group has assets and liabilities in currencies other than their own functional currencies, mainly the US Dollars and Brazilian Reais, and their financial results may be materially impacted by exchange rate fluctuations.

The main account groups exposed to foreign exchange risk are as follows:

	12.31.2023	12.31.2022
Assets:		
Cash, cash equivalents and securities	248,713	50,548
Trade receivables	-	80
Related parties (a)	755,885	770,205
Other assets	13,539	5
Exposed assets	1,018,137	820,838
Liabilities:		
Borrowings, financing and debentures (Note 9 and 10)	686,396	608,542
Interest payable	14,332	16,841
Foreign trade payables	22,908	22,563
Related parties (a)	236,813	237,223
Other liabilities	4,686	9,023
Exposed liabilities	965,135	894,192
Exposed net position liabitity	53,002	(73,354)

(a) Include balances between related parties with currency exposure for creditor, debtor or both. Risk arises when the currency determined in the transaction is different from entities functional currencies and even though balances (assets and liabilities) are eliminated during the consolidation process; exchange variation results are not eliminated and are recognized directly into profit or loss, except when the monetary asset or liability is accounted as net investment in a foreign operation in light with IAS 21 – The Effect of changes in Foreign Exchange Rates.

Starting in July 01, 2022, certain Related Parties loans that are payable to or receivable from a foreign operation within the Group were accounted as part of entity´s net investment in light with IAS 21 – The Effect of changes in Foreign Exchange Rates. Accordingly, exchange differences arising from such related parties loans were recognized as “Exchange differences from translation of foreign operations” within “other comprehensive income”. Such results will be reclassified from equity to profit or loss on disposal of the corresponding net investment. As of December 31, 2023, the Related Parties payables and receivables of US$1,110,584 and US$199,812, respectively, were determined to be part of entity´s net investment and the exchange difference since inception of US$23,096 were recorded within “other comprehensive income” (an increase of US$26,899 for the twelve-month period ended December 31, 2023).

The presentation of cash and cash equivalents and related foreign exchange exposures are as follows:

		12.31.2023		12.31.2022	
Functional currency	Currency	Currency	USD	Currency	USD
ARS	USD	4,900,375	6,062	3,583,770	20,228
BRL	USD	16,174	3,341	55,797	10,695
EUR	USD	216,402	239,212	17,644	18,835
MZN	USD	-	-	12,505	198
ARS	EUR	9,559	12	1,903	11
MZN	EUR	-	-	40	1
EUR	EGP	79	87	-	-
MZN	ZAR	-	-	10,540	167
EUR	ARS	-	-	387	413
Amount exposed to foreign exchange risks			248,714		50,548
BRL	BRL	507,063	104,737	554,447	106,275
EUR	EUR	5,223	5,774	22,163	23,660
ARS	ARS	1,764,038	2,182	1,324,224	7,475
MZN	MZN	-	-	1,018,950	16,115
ZAR	ZAR	-	-	250,902	14,798
Amount by functional currency			112,693		168,323
			361,407		218,871

The main debt instruments (essentially related with loans and debentures) as of December 31, 2023 and December 31, 2022, were denominated in the following currencies:

	12.31.2023	12.31.2022
USD	41%	37%
BRL	56%	56%
Other	2%	7%

24.5 Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group’s activities but also meet the needs of any extraordinary operations.

As detailed in Note 1, Management is working in several tasks for cash flow improvements, creditors negotiation and other strategic alternatives to improve the capital structure, and as such, management believes in the adequacy of these measures to ensure the pursuit of the Group’s activities.

The table below summarizes the maturity profile of the Company's financial liabilities undiscounted payments:

	12.31.2023					
	Up to 1 year	1-2 years	3-5 years	More than 5 years	Total	12.31.2022
Borrowings and financing and debentures	1,197,998	427,079	545,691	-	2,170,768	1,808,124
Trade payables	191,561	-	-	-	191,561	224,893
Obligations from confirming	2,580	-	-	-	2,580	71,271
Obligations under finance leases	21,554	21,006	40,562	559	83,681	39,063
	1,413,693	448,085	586,253	559	2,448,590	2,143,351

24.6 Credit risk

The markets view of Group's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to reduce the probability of non-performance of its obligations.

The Group's level of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). As described in Notes 9 and 10, as of December 31, 2023, the Company complied with restrictive covenants. Furthermore, in 2020, the Company successfully refinanced some of its debts, extending debts maturities to 2024 and releasing financing pressures in a short term. Furthermore, covenants metrics were reviewed and management does not foresee any issue in complying with them at year end (see Notes 9 and 10 above) in accordance with current and expected Adjusted EBITDA.

Financial instruments that potentially subject the Company and its subsidiaries to concentrations of credit risk consist primarily of short-term investments. The Company and its subsidiaries maintain bank accounts and short-term investments with financial institutions approved by Management, and only carry out sale transactions according to credit approval criteria for minimizing default risks.

24.7 Counterparty risk

When the Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavors to limit its exposure to this risk, when making bank deposits and other cash investments and also, when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

24.8 Sensitivity analysis of financial instruments

Exposure to interest-rate risk results in the variability of the Group's net financial expenses. The results of a sensitivity analysis of exposure as of December 31, 2023 were as follow:

a) Sensitivity analysis - Interest rates with CDI index, US Libor, IPCA and Badlar.

A parallel change of +/- in the interest rate curves applied on principal amounts as of December 31, 2023, with all the other assumptions remaining constant would result in an increase in annual financial costs (before taxes) as shown in table below:

Indexing	Currency	Asset (Liability)	1%	2%	3%
US Libor	USD	-	-	-	-
CDI	BRL	(821,356)	(8,214)	(16,427)	(24,641)
IPCA	BRL	(17,457)	(175)	(349)	(524)
Badlar	ARS	(31,710)	(317)	(634)	(951)

b) Exchange rates

In the debt balances, considering the currency distribution aforementioned, the exchange rate risks from exchange rate volatility may result in significant impacts on consolidated financial results.

Considering the Group's companies financial asset and liability profile (including intercompany balances, with the exception of balances considered as net investment in a foreign operation) as of December 31, 2023, the significant impacts on net financial results would be as follows:

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	USD depreciation		USD appreciation	
			Local / Transaction	-10%	-5%	5%	10%
US$	(276,366)	EUR	0.90	27,637	13,818	(13,818)	(27,637)
US$	(139,994)	ARS	808.45	13,999	7,000	(7,000)	(13,999)
US$	(30,166)	BRL	4.84	3,017	1,508	(1,508)	(3,017)
	(446,526)	Total exposure US$ dollars x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	EUR depreciation		EUR appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
EUR	(19,791)	BRL	5.35	1,620	810	(810)	(1,620)
EUR	(1,355)	ARS	893.67	111	55	(55)	(111)
	(21,146)	Total exposure EURO x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	EGP depreciation		EGP appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
EGP	83	EUR	0.04	(8)	(4)	4	6
	83	Total exposure EGP x local currency					

Transaction Currency	Amount in US$ Asset (liability)	Local Currency	FX rate	BRL depreciation		BRL appreciation	
			Local / Transaction	-10%	-5.0%	5.0%	10.0%
BRL	(28,935)	EUR	0.19	2,630	1,378	(1,378)	(2,630)
	(28,935)	Total exposure BRL x local currency					

24.9 Categories of financial instruments

	12.31.2023	12.31.2022
Current assets:		
Cash and bank accounts (Note 3)	264,516	71,469
Financial assets at amortized cost:		
Trade receivables (Note 5)	55,110	64,233
Other receivables	26,929	29,957
Financial assets at fair-value through profit & Loss:		
Short-term investments - financial asset (Note 3)	96,890	147,402
Non-current assets:		
Financial assets at amortized cost:		
Trade receivables (Note 5)	526	707
Other receivables	12,329	20,347
Long-term investments - financial asset (Note 4)	8,940	7,403
Financial assets at fair-value through profit & loss:		
Derivatives (Note 24.10)	298	1,567
Current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	902,188	156,446
Borrowings and financing (Note 9)	21,489	106,094
Trade payables	191,561	224,893
Obligations from confirming	2,580	71,271
Interest payable (Notes 9 and 10)	160,191	31,915
Lease liabilities (Note 14)	13,674	11,151
Other payables	39,877	23,714
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	739,612	1,287,027
Borrowings and financing (Note 9)	6,538	113,610
Lease liabilities (Note 14)	49,035	20,628
Other payables	27,358	30,917

24.10 Derivative transactions

It is represented by trading derivatives options in connection with “Baesa”, “Machadinho” and “Estreito” operations, whose assets and liabilities fair value as of December 31, 2023 and 2022 are demonstrated below:

As of December 31, 2023 and 2022, the fair value of derivatives is as follows:

	Assets	
	Non-current	
	12.31.2023	12.31.2022
Written-put options ("Baesa", "Machadinho" and “Estreito” operations)	298	1,567
	298	1,567

24.11 Market values

Estimated fair value – assets measured at fair value

The following table presents the Group’s assets and liabilities measured at fair value as of December 31, 2023 in accordance with the following fair value seniority levels:

- Level 1: the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;
- Level 2: the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;
- Level 3: the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

Category	Item	Level 2	Level 3
Assets:			
Financial assets at fair value	Short-term investments	96,890	-
Financial assets at fair value	Financial derivative instruments	-	298

The valuation technique to determine the fair value measurement of the financial statements categorized within Level 3 of the fair value hierarchy, which comprises the derivative options of the Baesa", "Machadinho" and “Estreito” operations, was Black-Scholes. The significant unobservable inputs to the measurement include: expected dividends payments based upon on discounted cash flows projections; benchmarking information of comparative listed entities volatility, among others. We have also used the Monte Carlo valuation technique to create a probability distribution (or risk assessment) in the determination of the exercise of the put options, which assumption was also used in the determination of the fair value.

Estimated fair value – financial instruments liabilities not measured at fair value

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards lease liabilities, borrowings financing and debentures, financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

The valuation to fair value in relation to their book value (amortized cost) being as follows:

	12.31.2023		12.31.2022	
	Amortized cost	Fair value	Amortized cost	Fair value
Borrowing and financing (Note 9)	28,027	18,763	219,704	217,782
Debentures (Note 10)	1,641,800	1,590,047	1,443,473	1,321,108
Leases liabilities (Note 14)	62,709	68,481	31,779	27,355

25. Operating Segment

The operating segments are identified based on the internal reports on the Company's components, periodically reviewed by the Chief Executive Officer (CEO), the chief operating decision-maker, so that funds can be allocated to the segments and their performances assessed.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into each geographical area where the Company operates.

The profit information are as follows:

	12.31.2023				12.31.2022 (Restated)			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	702,151	-	702,151	51,915	722,616	-	722,616	84,009
Argentina	506,233	-	506,233	74,269	828,394	-	828,394	163,314
Total	1,208,384	-	1,208,384	126,184	1,551,010	-	1,551,010	247,323
Unallocated (a)	(911)	(3,739)	(4,650)	(8,728)	22,580	3,575	26,155	(9,699)
Eliminations	-	3,739	3,739	-	(13,976)	(3,575)	(17,551)	-
Sub-total	1,207,473	-	1,207,473	117,456	1,559,614	-	1,559,614	237,624
Income before financial income (expenses)				117,456				237,624
Foreign exchange, net				(161,012)				(134,363)
Financial income				184,711				109,726
Financial expenses				(326,055)				(365,867)
Loss before income tax and social contribution				(184,900)				(152,880)
Income tax and social contribution				(29,942)				(46,383)
								-
Loss for the period from continuing operations				(214,842)				(199,263)
Loss for the period from discontinued operations (note 2.24)				(32,909)				(39,256)
								-
Loss for the period				(247,751)				(238,519)

This caption includes holding companies and trading companies not attributable to specific segments.
The profit for each years above includes the full amount of the Company's segments disregarding the following amounts attributable to non controlling interests:

	Noncontrolling interests	
	12.31.2023	12.31.2022 (Restated)
Operating segments:		
Brazil	23,673	19,995
Argentina	5,185	4,546
	28,858	24,541
Unallocated	(446)	(643)
	28,412	23,898
Discontinued operating segments (note 2.24)	(15,168)	143
Profit/(Loss) for the year attributable to non-controlling interests	13,244	24,041

Other information:

	12.31.2023		12.31.2022 (Restated)	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	64,912	83,328	64,532	81,015
Argentina	45,318	40,622	51,427	78,963
	110,230	123,950	115,959	159,978
Unallocated	-	320	(73)	617
	110,230	124,270	115,886	160,595
Discontinued operating segments (note 2.24)	13,347	18,386	20,769	46,056
Total	123,577	142,656	136,655	206,651

In addition, segment assets and liabilities reconciled with the consolidated balances as of December 31, 2023 and 2022 are as follows:

	12.31.2023			12.31.2022		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	1,598,833	978,517	620,316	1,499,307	817,376	681,931
Argentina	989,863	426,384	563,479	1,328,436	488,845	839,591
Mozambique	-	-	-	157,830	94,499	63,331
South Africa	-	-	-	276,317	94,517	181,800
Total	2,588,696	1,404,901	1,183,795	3,261,890	1,495,237	1,766,653
Unallocated	352,904	1,182,502	(829,598)	154,098	1,138,425	(984,327)
Eliminations	(121,649)	(121,649)	-	(134,807)	(134,807)	-
Total	2,819,951	2,465,754	354,197	3,281,181	2,498,855	782,326
Discontinued operating segments (note 2.24)	(14)	(9,700)	9,686	180,512	140,512	40,000
Eliminations	(43,417)	(43,417)	-	-	-	-
Total discontinued segments (note 2.24)	(43,431)	(53,117)	9,686	180,512	140,512	40,000
Inter-segment eliminations	769	769	-	(40,045)	(40,045)	-
Total	2,777,289	2,413,406	363,883	3,421,648	2,599,322	822,326

The assets and liabilities unallocated includes assets and liabilities not attributable to specific segments basically allocated to holding and trading companies.

26. Events After the Reporting Period

Bonds Interest payment

On January 16, 2024, the Company paid interests in the amount of US$15,818 to Senior Notes holders.

Acquisition of own shares – Argentina Segment

On December 19, 2023 the Board of Directors approved a new plan for the acquisition of the Group's own shares for a maximum amount of 600 million and for a term until March 30, 2024. During the month of January 2024, Loma Negra acquired 25,650 ADRs for a total value of ARS146,403 (equivalent to US$0,177).

27. Authorization for Completion of Financial Statements

The Board of Directors authorized the completion of this consolidated financial statements dated as of April 10, 2024.