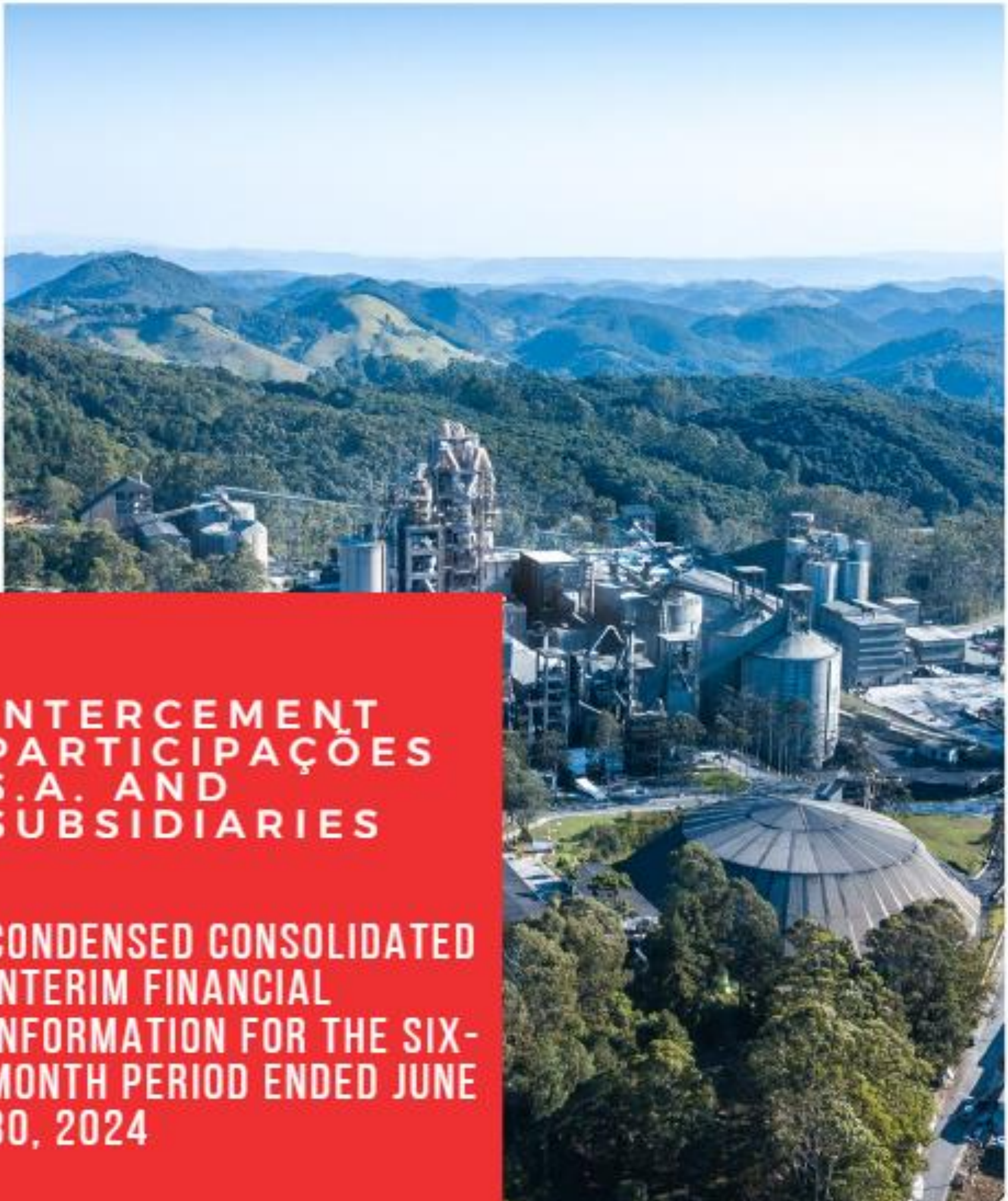

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

InterCement

Building sustainable partnerships

São Paulo Corporate Towers
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Independent auditor's review report on interim financial information

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

Introduction

We were engaged to review the accompanying condensed consolidated interim financial information of InterCement Participações S.A. and subsidiaries (the "Company"), which comprises the condensed consolidated statement of financial position as of June 30, 2024, and the related condensed consolidated statements of profit or loss, of comprehensive income (loss), of changes in shareholders' equity and of cash flows for the six-month period then ended, including the main accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. We do not express a conclusion on the accompanying condensed consolidated interim financial information of the Company. Due to the significance of the matters described in the "Basis for disclaimer of conclusion" section of our report, we were unable to perform sufficient review procedures to provide a basis for a conclusion on this condensed consolidated interim financial information.

Basis for disclaimer of conclusion

Material uncertainty related to going concern

As described in note 1 to the condensed consolidated interim financial information for the six-month period ended June 30, 2024, the Company's current liabilities exceeded total current assets by R$7,111,377 thousand, and on July 15, 2024, the Company obtained a protective injunction that determined the suspension, for a period of 60 days, of the executive measures involving the debentures issued by the Company and its subsidiary InterCement Brasil S.A., as well as the Senior Notes issued by the Group, whose debts are already overdue and, consequently, classified as current liabilities. Despite the fact the Company and its controlling shareholders remain engaged in evaluating alternatives to resolve the Group's financial leverage, with actions that include the renegotiation of these debts and other strategic alternatives, such as a merger or a partnership with a strategic player, or even a divestment of Group operations, considering the stage of these actions, their complexity of execution, and the proximity of the end of protective injunction, this situation indicate the existence of material uncertainty as to the Company's ability to continue as a going concern. Accordingly, given this uncertainty, it was not possible to conclude whether the use of the going concern basis of accounting remains appropriate in the circumstances as of June 30, 2024, as well to determine possible effects or adjustments to the condensed consolidated interim financial information on that date regarding this matter.

Uncertainty related to realization of deferred tax assets and social contribution

As described in note 24 to the condensed consolidated interim financial information for the six-month period ended June 30, 2024, the Company's subsidiary InterCement Brasil S.A. has recorded deferred tax assets and social contribution in the amount of R$706,815 thousand as of June 30, 2024, 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 above in the section "Basis for disclaimer of conclusion", which indicates material uncertainty related to going concern, 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 deferred income taxes and social contribution as of June 30, 2024, and the shareholder's equity on this date, are overstated in the amount of R$706,815 thousand.

Disclaimer of conclusion

Due to the significance of the matters described in the paragraphs included in "Basis for disclaimer of conclusion" section of our report, we were unable to perform sufficient review procedures to provide a basis for a conclusion on this condensed consolidated interim financial information. Consequently, we do not express a conclusion on this condensed consolidated interim financial information

São Paulo, August 22, 2024

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

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of June 30, 2024 and December 31, 2023

(In thousands of Brazilian Reais - BRL)

ASSETS	Notes	06.30.2024	12.31.2023 Recasted
CURRENT ASSETS			
Cash and cash equivalents	4	1,519,641	1,749,677
Trade receivables	6	523,582	266,806
Inventories	7	1,377,789	801,450
Recoverable taxes		124,300	151,194
Other receivables		135,953	130,371
		3,681,265	3,099,498
Assets classified as held for sale	2.4	-	15,526
Total current assets		3,681,265	3,115,024
NONCURRENT ASSETS			
Securities	5	6,762	43,283
Trade receivables	6	2,265	2,549
Inventories	7	327,247	169,400
Recoverable taxes		55,644	41,894
Deferred income tax and social contribution		390,358	375,000
Judicial deposits		75,152	83,050
Derivatives	22.10	16,406	1,441
Other assets and receivables		84,259	59,675
Right-of-use assets	14	260,598	271,124
Property, plant and equipment	8	7,528,439	5,121,969
Intangible assets:			
Goodwill	9	3,717,713	3,716,131
Other intangible assets	9	452,768	445,141
Total noncurrent assets		12,917,611	10,330,657
TOTAL ASSETS		16,598,876	13,445,681

LIABILITIES AND EQUITY	Notes	06.30.2024	12.31.2023 Recasted
CURRENT LIABILITIES			
Trade payables		879,925	927,403
Obligations from confirming		366	12,490
Debentures	11	7,690,026	4,367,761
Borrowings and financing	10	341,422	104,036
Interest payable	10 and 11	1,139,696	775,533
Leases liabilities	14	70,665	66,200
Taxes payable		331,700	161,354
Payroll and related taxes		135,615	123,018
Advances from customers		32,975	39,477
Other payables		170,252	193,056
		10,792,642	6,770,328
Liabilities directly associated with assets classified as held for sale	2.4	-	-
Total current liabilities		10,792,642	6,770,328
NONCURRENT LIABILITIES			
Debentures	11	760,232	3,580,683
Borrowings and financing	10	-	31,653
Leases liabilities	14	219,842	237,392
Provision for tax, civil and labor risks	12	107,235	88,189
Provision for environmental recovery		72,301	66,629
Taxes payable		28,956	22,539
Deferred income tax and social contribution		1,396,488	754,151
Other payables		115,875	132,448
Total noncurrent liabilities		2,700,929	4,913,684
TOTAL LIABILITIES		13,493,571	11,684,012
SHAREHOLDER'S EQUITY			
Capital	15	2,562,966	2,562,966
Accumulated loss		(300,608)	(176,829)
Other comprehensive loss	15	(1,061,424)	(1,539,722)
Equity attributable to the Company’s owners		1,200,934	846,415
Non-controlling interests	15	1,904,371	915,254
Total equity		3,105,305	1,761,669
TOTAL LIABILITIES AND EQUITY		16,598,876	13,445,681

The accompanying notes are an integral part of this condensed consolidated interim financial information

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of profit or loss for the six-month period ended June 30, 2024 and 2023

(In thousands of Brazilian Reais – BRL except per loss per share)

	Notes	06.30.2024	06.30.2023 Recasted
CONTINUING OPERATIONS			
NET SALES	17	3,198,338	3,640,766
COST OF SALES AND SERVICES	18	(2,552,843)	(2,908,159)
GROSS PROFIT		645,495	732,607
OPERATING INCOME (EXPENSES)			
Selling expenses	18	(154,971)	(171,632)
Administrative expenses	18	(200,416)	(224,316)
Other income/ (expenses)	18	75,606	(8,737)
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		365,714	327,922
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	19	(136,037)	(288,677)
Financial income	19	1,072,661	437,690
Financial expenses	19	(820,288)	(850,312)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		482,050	(373,377)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	16	(223,394)	(72,612)
Deferred	16	(91,435)	31,991
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		167,221	(413,998)
DISCONTINUED OPERATIONS			
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	1	23,921	(202,257)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING AND DISCONTINUED OPERATIONS		191,142	(616,255)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners		(123,779)	(752,569)
Non-controlling interests		314,921	136,314
PROFIT (LOSS) PER SHARE FROM CONTINUING OPERATIONS			
Basic/diluted loss per share	21	(2.79)	(10.41)
PROFIT (LOSS) PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS			
Basic/diluted loss per share	21	(2.34)	(14.22)

The accompanying notes are an integral part of this condensed consolidated interim financial information

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (loss) for the six-month period ended June 30, 2024 and 2023

(In thousands of Brazilian Reais - BRL)

	Notes	06.30.2024	06.30.2023 Recasted
CONTINUING OPERATIONS			
PROFIT (LOSS) FOR THE PERIOD FOR CONTINUED OPERATION		167,221	(413,998)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits		(1,837)	(1,450)
Items that might be reclassified subsequently to profit or loss:			
Effects of hyperinflationary monetary adjustment and Exchange differences from translation of foreign operations		1,218,174	124,565
Derivative and hedging transactions		(36,795)	2,191
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		1,346,763	(288,692)
DISCONTINUED OPERATIONS			
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.4	23,921	(202,257)
Other comprehensive income:			
Items that might be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		-	31,739
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		23,921	(170,518)
COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Company's owners		330,598	(364,695)
Non-controlling interests		1,016,165	76,003
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO:			
Company's owners		354,519	(502,873)
Non-controlling interests		1,016,165	43,663

The accompanying notes are an integral part of this condensed consolidated interim financial information

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Shareholders' Equity for the six-month period ended June 30, 2024 and 2023

(In thousands of Brazilian Reais - BRL)

				Earnings reserves						
	Notes	Share capital	Capital Reserves	Legal	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, 2022 (Recasted)		2,562,966	1,363,133	-	(236,236)	(1,241,939)	-	2,447,924	1,842,231	4,290,155
Profit (loss) for the period		-	-	-	-	-	(752,568)	(752,568)	136,314	(616,254)
Other comprehensive income	15	-	-	-	-	249,696	-	249,696	(92,651)	157,045
Dividends declared to noncontrolling interests	15	-	-	-	-	-	-	-	(387,049)	(387,049)
BALANCE AS OF JUNE 30, 2023 (Recasted)		2,562,966	1,363,133	-	(236,236)	(992,243)	(752,568)	1,945,052	1,498,845	3,443,897
BALANCE AS OF DECEMBER 31, 2023 (Recasted)		2,562,966	-	-	-	(1,539,722)	(176,829)	846,415	915,254	1,761,669
Profit (loss) for the period		-	-	-	-	-	(123,779)	(123,779)	314,921	191,142
Other comprehensive income	15	-	-	-	-	478,298	-	478,298	701,244	1,179,542
Dividends declared to noncontrolling interests	15	-	-	-	-	-	-	-	(27,048)	(27,048)
BALANCE AS OF JUNE 30, 2024		2,562,966	-	-	-	(1,061,424)	(300,608)	1,200,934	1,904,371	3,105,305

The accompanying notes are an integral part of this condensed consolidated interim financial information

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows for the six-month period ended June 30, 2024 and 2023

(In thousands of Brazilian Reais - BRL)

	Notes	06.30.2024	06.30.2023 Recasted
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (Loss) before income tax and social contribution		505,971	(560,170)
Adjustments to reconcile income before income tax and social contribution			
with net cash generated by (used in) operating activities:			
Depreciation, amortization and impairment losses	23	367,712	427,813
Recognition (reversal) of expected credit losses, net		2,118	728
Recognition of allowance for inventories, net		3,570	972
Interest, accrued charges, and exchange differences		(116,337)	710,742
Loss (gain) on sale of long-lived assets	18	(21,874)	(2,166)
Exchange difference from translation of disposed discontinued operations	2.4	-	224,183
Adjusment on the sale amount of Africa discontinued operations in 2023	2.4	(23,921)	-
Other noncash operating losses, net		24,727	9,947
Decrease (increase) in operating assets:			
Related parties		95	874
Trade receivables		(256,085)	(225,835)
Inventories		(727,161)	(166,313)
Recoverable taxes		(19,661)	70,077
Other receivables		(7,651)	7,440
Increase (decrease) in operating liabilities:			
Related parties		1,831	(42)
Trade payables		(62,753)	(488,750)
Obligations from confirming		(12,124)	262,788
Payroll and vacation payable		11,565	(27,173)
Other payables		370,164	68,632
Taxes payable		12,338	(11,400)
Cash generated (used) by operating activities before income tax and interest paid		52,524	302,347
Income tax and social contribution paid		(41,251)	(79,424)
Interest paid		(292,571)	(446,413)
Net cash used by operating activities		(281,298)	(223,490)
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in securities		36,521	(2,043)
Purchase of property, plant and equipment		(308,910)	(265,390)
Purchase of intangible assets		(22,941)	(20,177)
Sale of fixed and financial assets		26,092	14,838
Cash received from sale of property, plant and equipment and discontinued operations (Egypt)	2.4	-	174,552
Cash received from sale of property, plant and equipment and discontinued operations (Africa)	2.4	49,208	-
Other		(2,457)	(3,505)
Net cash used in investing activities		(222,487)	(101,725)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures	10 and 11	1,007,398	1,368,394
Repayment of borrowings, financing and debentures	10 and 11	(800,802)	(842,978)
Dividends paid by Argentinian and Brazilian subsidiaries to non-controlling interests		(53,445)	(226,896)
Disbursements due to certains financial instruments liquidations		-	(119,429)
Payment of principal portion of lease liabilities	14	(58,776)	(77,589)
Other instruments		(2,163)	186
Net cash generated in financing activities		92,212	101,688
DECREASE IN CASH AND CASH EQUIVALENTS		(411,573)	(223,527)
EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		181,537	(117,277)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	1,749,677	1,163,870
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	1,519,641	823,066

The accompanying notes are an integral part of this condensed consolidated interim financial information

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Notes to the Condensed Consolidated Interim Financial Information for the six-month period ended June 30, 2024

(Amounts in thousands of Brazilian Reais - BRL, 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 22 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 June 30, 2024, the Company obtained a profit from continuing operations of BRL167,221 (losses of BRL 413,998 as of June 30, 2023), primarily due to the financial income recorded in the Argentina segment, as a result of hyperinflation adjustments (See Note 19). The Company presented a negative working capital of BRL7,111,377 (negative in BRL3,655,304 as of December 31, 2023), including the senior notes maturing in July, 2024, in the amount of BRL 3,057,674 and the debentures of the Intercement Brasil S.A. and Intercement Participações S.A. in the amount of BRL4,476,092, as all future instalments were classified as current liabilities, considering the trigger event that occurred when the senior notes were not refinanced by May 31, 2024.

The recent losses, cash constraints and negative working capital, 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 2024, 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 and 2024, 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) and the above referred classification of the debenture instalments as current liabilities by InterCement Participações and InterCement Brasil. - see Note 10 for further information.

Considering the results achieved in the six-month period ended on June 30, 2024, as well as the review of the most plausible assumptions utilized in the Company's business plan and budget for 2024, management expects the recovery of the gross margin and an increase 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.

Additionally, as mentioned in Note 24, on July 15, 2024, the Company obtained a protective injunction (the "Preliminary Injunction") that determined the suspension, for a period of 60 days, of the enforcement measures related to the principal and interest instalments of the debts subject to the ongoing mediation process, including both debentures and Senior Notes, the latter of which was originally due on July 17, 2024. Currently, the Company and its affiliates are engaged in a mediation process with the corresponding creditors, with the aim of structuring the maturities of their respective financial debts subject to mediation. The Company and the ultimate controlling shareholders of the Group remain committed and are evaluating alternatives to resolve the Group's financial obligations.

The Company and its controlling shareholders engaged BTG Pactual Bank to support the Group evaluation of other strategic alternatives, aimed at addressing our capital structure, which may include a private placement, a merger or a partnership with a strategic player, or even a potential divestment. In this context, a competitive process has been organized and is currently underway. The Company executed, on July 24, 2024, an agreement, which ended on August 12, 2024, providing for exclusivity to Companhia Siderúrgica Nacional (CSN) with respect to the potential acquisition of shares representing 100% of the Company's capital stock. Notwithstanding the foregoing, on the date hereof, there is no signed document that generates any binding obligation or commitment on the part of the Company or its subsidiaries in relation to any potential transaction.

Additionally, alternative cash flow scenarios have been constructed reflecting the different outcomes of potential debt restructuring and the potential divestment options that could materialize in the coming months, considering but not limited to any negotiations resulting from the non-binding exclusivity agreement, demonstrating that the current negative working capital situation can be overcome under such plausible scenarios, despite the inherent uncertainty associated with any scenario involving multiple stakeholders and creditors. Considering the likelihood of success of the potential scenarios evaluated, the Group considers it appropriate to use the going concern assumption in the preparation of the interim financial information for the six-month ended June 30, 2024. This position will be reassessed every quarter, based on the evolution of the strategic alternatives referred to above, including the negotiations with the Company's creditors and potential investors.

Disinvestment in Egypt, Mozambique and South Africa business segments

Mozambique and South Africa segment

Furthermore, during the first quarter of 2023 the Group decided to divest 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 selling price of BRL 1,121,071 (US$231,563) in December 2023. In April, 2024 the company and the buyer reached an agreement on the Adjustment to be paid in the context of the divestment of the African assets, which amounted to BRL 49,208 (US$9,887), and included the reimbursement of investments made by the Company in the expansion of Nacala plant in Mozambique; Subsequently, on May 13, 2024, this payment was received by the Company. On June 28, 2024, in the context of an arbitration proceeding in Mozambique, we were notified of the indemnification charge of BRL25,287 (US$4,924) in respect of an ongoing dispute (previously assessed with remote risk of loss). Given the fact the investment was derecognized upon the sale, this obligation, subject to appeal by the Company, was accrued in Other liabilities as of June 30, 2024.

The Company will use the net proceeds from the sale, to repay a portion of its outstanding indebtedness.

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.

As required by International Financial Reporting Standards 5 ("IFRS 5") Non-Current Assets Held for Sale and Discontinued Operation, the results for the six-months period ended June 30, 2023 arising from Egypt, Mozambique and South Africa were presented as "discontinued operations" in the Consolidated Statements of profit of loss as of June 30, 2023 (for further information, see Note 2.4 below).

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.

Management continues to closely monitor the consequences and evolution of such events, and 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 preparation

The condensed consolidated interim financial information as of and for the six-month period ended June 30, 2024 has been prepared based on the International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), which allows the entities to present selected notes to the financial statements, in cases of redundant information already disclosed in the Annual Financial Statements. Accordingly, this Interim Financial Information should be read together with Company´s consolidated financial statements for the year ended December 31, 2023.

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

2.2. Significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2023 and disclosed in the corresponding notes.

Reference also to the application of hyperinflation accounting for our Argentinean subsidiaries. As described in the consolidated financial statements as of for the year ended December 31, 2023, Note 2.1, applying IAS 29 rules requires that the financial statements recorded in a hyperinflationary currency are adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period prior to conversion to the Company´s functional currency.

As a result of the above, our condensed consolidated interim financial information for the six-month period ended June 30, 2024, reflects an equity increase of BRL 1,431,721 (BRL 8,629,568 for the six-month period ended June 30, 2023), with reference to the opening balance, reported in other comprehensive income (loss), and also the positive monetary adjustment for the six-month period ended June 30, 2024, presented in financial income, in the amount of BRL 1,022,205 (BRL 360,970 for the six-month period ended June 30, 2023) see Note 19.

2.3. Functional, reporting and presentation currencies

The Company's functional currency is the Brazilian Real. As prescribed by IAS 21, paragraph 38 - The Effects of Changes in Foreign Exchange Rates, the Company may present its financial information in any currency. Considering the sale of the African operations in 2023, Group's current capital and operating structure, and the fact the main shareholder publishes its financial statements in Brazilian Reais, as from 1Q24 the Company considers the presentation currency for the purposes of the filing in Singapore to be the same as the functional currency.

Accordingly, the comparative interim financial information for the six-month period ended June 30, 2023 and the annual financial for the year ended December 31, 2023, previously prepared in U.S. Dollars and released, respectively, on August 17, 2023 and April 10 2024, are now being presented in Brazilian Reais following requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, once the change in the presentation currency represents a change in accounting policies. The comparative financial information is identified as "Recasted" to indicate the changes from the previously presented financial information.

For the translation into the presentation currency, changes in equity were translated from functional currency considering the historical exchange rates of each transaction. The financial position was translated from functional currency considering the closing exchange rates of the reporting periods, while the statements of profit or loss, comprehensive income and cash flows were translated considering the average exchange rates of the reporting periods.

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

		Closing exchange rate (R$)		Average exchange rate (R$)	
Currency		06.30.2024	12.31.2023	06.30.2024	06.30.2023
USD	US Dollar	5.55890	4.84130	5.08501	5.06836
EUR	Euro	5.95470	5.35160	5.49755	5.48010
MZN	Mozambique Metical (**)	-	0.07654	0.07744	0.07985
EGP	Egyptian Pound (*)	0.17436	0.21090	0.15864	0.17216
ZAR	South African Rand (**)	-	0.26270	0.26273	0.27233
ARS	Argentinian Peso (***)	0.00610	0.00599	0.00610	0.01877

(*) 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 2.4 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 2.4 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 statements 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 income statement of both inflation and currency conversion.

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

As a result of the classification of our segments in Egypt, South Africa and Mozambique in 2023 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 six-month period ended June 30, 2023 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";

- Notes to the condensed consolidated interim financial statements were adjusted to present the profit or loss, assets and liabilities of the continuing operations only, even if in some cases, whenever considered significant for a proper understanding of the effects, details on the "Discontinued operations" are also presented therein;

- "Discontinued operations" correspond to the Group's businesses (segments) in Egypt, Mozambique and South Africa, which were sold in 2023, and are consistent with the Group's operating geographic segments as demonstrated in Note 23 - "Operating Segments";

- 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:

	06.30.2024		06.30.2023 Recasted		
	Business sale value	Gain on the sale	Business sale value	Net assets	Reversal of CTA
Egypt	-	-	208,684	(208,684)	(224,183)
Mozambique and South Africa	23,921	(23,921)	-	-	-

It is 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 June 30, 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 were 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:

.	06.30.2023 Recasted		
	Presented	Discontinued operation	Continued operation
Net cash used in (generated by) operating activities	(223,307)	17,781	(241,088)
Net cash used in (generated by) investing activities	(101,725)	(30,629)	(71,096)
Net cash used in (generated by) financing activities	101,688	(73,290)	174,978
Decrease in cash and cash equivalents	(223,344)	(86,138)	(137,206)
Exchange differences on cash and cash equivalents	(117,277)	(17,270)	(100,007)
Cash and cash equivalents at the beginning of the year	1,163,870	185,180	978,690
Cash and cash equivalents at the end of the year	823,249	81,772	741,477

It also worth to mention that in 2024 the Company sold non-operational equipment (concrete units along with machinery, equipment, land and other fixed assets in the Brazilian segment), having collected BRL15,526. As of December 2023, the Company classified these assets as "Assets classified as held for sale".

Details of the net loss from our discontinued operations:

DISCONTINUED OPERATIONS	06.30.2024	06.30.2023 Recasted
NET SALES	-	554,707
COST OF SALES AND SERVICES	-	(474,361)
GROSS PROFIT	-	80,346
OPERATING INCOME (EXPENSES)		
Selling expenses	-	(4,224)
Administrative expenses	-	(47,410)
Other income/(expenses), net	-	18,121
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME	-	46,833
FINANCIAL INCOME (EXPENSES)		
Foreign exchange gains/(losses), net	-	18,676
Financial income	-	3,894
Financial expenses	-	(32,014)
Adjustment on the sale amount	23,921	-
Reversal of accumulated exchange differences	-	(224,183)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	23,921	(186,794)
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	-	(11,951)
Deferred	-	(3,512)
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	23,921	(202,257)
LOSS FOR THE PERIOD ATTRIBUTABLE TO		
Company's owners	23,921	(201,696)
Non-controlling interests	-	(561)

The net result for the six-month period ended June 30, 2023 for Egypt, Mozambique and South Africa are, respectively, loss of BRL 207,881 (due to the recycling at the disposal date of the cumulative translation adjustment previously recorded as "other comprehensive income"), loss of BRL4,269 and gain of BRL11,296.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no changes in relation to what was presented in Note 2.3 to the Company's Consolidated Financial Statements as of December 31, 2023.

4. Cash and Cash Equivalents

	06.30.2024	12.31.2023
Cash and bank accounts	236,537	1,280,604
Short-term investments	1,283,104	469,073
Total cash and cash equivalents	1,519,641	1,749,677

Short-term investments were as follows:

	06.30.2024	12.31.2023
Short Term Investment in Brazilian Reais (a)	1,281,713	458,828
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean Pesos (b)	278	182
Short-term investments in U.S. Dollars (c)	1,113	423
Public Debit Securities in U.S Dollars (d)	-	9,640
	1,283,104	469,073

a) Short-term investments in Brazilian Reais have a yield between 70% and 102% of interbank interest rate "CDI" per year (70% and 102% per year as of December 31, 2023).
b) Represents short-term investments in Argentinean pesos with interest of 34.75% per year (89.2% per year as of December 31, 2023).
c) Short-term investments in U.S. Dollars with interest of 0.14% per year held by Argentinian segment (0.1% per year as of December 31, 2023).
d) Public Debit Securities in U.S Dollars are held by the Argentinian subsidiary as a short-term investment that yield interest of 0.75% per year.

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

5. Securities

Securities are classified as financial assets, as follows:

	06.30.2024	12.31.2023
Market investments	6,762	43,283
Total	6,762	43,283

"Market investments" are held by the Brazilian subsidiaries, which are composed by (i) investments in Brazilian Reais amounting BRL874 (BRL37,328 as of December 31, 2023) yielding 101% of interbank interest rate "CDI" per annum with maturity in 2024, given as collateral to borrowings and financings (see Note 10); and (ii) remaining amount of BRL5,888 composed by escrow accounts that do not bear interests (BRL5,954 as of December 31, 2023).

6. Trade Receivables

	06.30.2024	12.31.2023
Current		
Domestic and foreign customers (a)	564,677	302,486
(-) Expected Credit Losses	(41,095)	(35,680)
Trade receivables	523,582	266,806
Noncurrent		
Domestic and foreign customers	2,265	2,549
Trade receivables	2,265	2,549

(a) In December 2023, our Brazilian subsidiary sold to financial institutions trade receivables in the amounts of BRL76,258 (with a discount of BRL692), 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 months. As of June 30, 2024, there were no similar credit assignments.

7. Inventories

	06.30.2024	12.31.2023
Current:		
Finished products	79,184	66,053
Work in process	346,005	233,043
Supplies, raw material and consumable materials	832,832	450,325
Fuel	219,077	153,348
Advances to suppliers	1,913	2,692
Packaging and other	7,764	8,660
Allowance for impairment losses	(108,931)	(112,671)
Others	(55)	-
Total	1,377,789	801,450
Noncurrent:		
Supplies, raw material and consumable materials	351,171	190,440
Allowance for impairment losses	(23,924)	(21,040)
Total	327,247	169,400

8. Property, Plant and Equipment

	06.30.2024			12.31.2023
	Cost	Depreciation & Impairment	Net book value	Net book value
Land	241,664	(66,082)	175,582	144,606
Buildings	4,134,374	(2,847,993)	1,286,381	907,124
Machinery and equipment	10,321,782	(5,613,225)	4,708,557	3,088,223
Vehicles	876,558	(796,756)	79,802	41,544
Furniture and fixtures	254,252	(247,746)	6,506	4,778
Mines and ore reserves	1,684,552	(1,297,198)	387,354	202,205
Reservoirs, dams and feeders	280,970	(140,661)	140,309	144,357
Spare parts	141,175	(21,819)	119,356	31,039
Other	71,804	(52,889)	18,915	15,076
Advances to suppliers	80,220	(17,373)	62,847	62,990
Construction in progress	1,065,145	(522,315)	542,830	480,027
Total	19,152,496	(11,624,057)	7,528,439	5,121,969

Construction in progress

As of June 30, 2024, construction in progress mainly relates to: (i) BRL196,483 (BRL95,614 as of December 31, 2023) in Argentinian business segment mainly explained by an adaptation of the bagging process for cement bags from 50kg to 25kg (according to legal requirements), and in quarry roads and railways; and (ii) BRL868,663 (BRL898,219 as of December 31, 2023), in Brazilian business segment mainly due to projects for expansion of units and improvements in the production process adjusted to recoverable value. 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.

In addition, in Brazil business segment, two cement plants were given as guarantee as part of "CADE" litigation, as referred in Note 12.

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, 2022	226,280	1,316,688	4,895,703	71,246	11,352	278,504	152,457	96,415	13,718	494,596	48,722	7,605,681
Effects of hyperinflationary monetary adjustment (Note 2.1)	18,971	241,911	1,047,236	21,914	1,754	90,017	-	20,827	1,659	15,721	-	1,460,010
Additions	9	7,663	16,751	-	62	-	-	9,628	23	182,638	-	216,774
Disposals	(16,559)	(43)	(2,000)	139	(5)	-	-	(6,711)	-	-	(66)	(25,245)
Depreciation	(548)	(51,782)	(222,164)	(9,192)	(1,675)	(34,277)	(4,114)	(5,972)	(2,818)	-	-	(332,542)
Impairment reversal (provision)	15,235	-	65	-	-	-	-	-	-	(8,503)	-	6,797
Effect of changes in exchange rates	(27,437)	(282,834)	(1,217,685)	(24,885)	(2,512)	(101,054)	-	(51,727)	(7,639)	16,514	-	(1,699,259)
Assets classified as held for sale	(14,055)	(5,267)	(11,538)	(231)	(11)	-	-	(173)	-	(5,381)	-	(36,656)
Transfers	120	32,895	42,922	13,052	402	45,163	-	(8,294)	7,208	(140,208)	-	(6,740)
Discontinued operations	(33,318)	(101,591)	(461,574)	(1,295)	(3,417)	-	-	(8,116)	(1,271)	(52,777)	-	(663,359)
Balance as of June 30, 2023	168,698	1,157,640	4,087,716	70,748	5,950	278,353	148,343	45,877	10,880	502,600	48,656	6,525,461
Balance as of December 31, 2023	144,606	907,124	3,088,223	41,544	4,778	202,205	144,357	31,039	15,076	480,027	62,990	5,121,969
Effects of hyperinflationary monetary adjustment (Note 2.1)	29,964	384,385.0	1,621,413	33,294	2,593	164,354	-	29,469	3,039	77,675	-	2,346,186
Additions	302	1,455	10,807	-	-	-	-	14,487	101	289,033	-	316,185
Disposals	(235)	-	(1)	(39)	(1)	-	-	(645)	-	-	(143)	(1,064)
Depreciation	(229)	(45,969)	(201,066)	(12,208)	(1,299)	(23,920)	(4,048)	(3,029)	(1,564)	-	-	(293,332)
Impairment reversal (provision)	-	-	-	-	-	-	-	(242)	-	(8,506)	-	(8,748)
Effect of changes in exchange rates	1,164	8,717	3,264	754	59	3,627	-	34,047	47	1,715	-	53,394
Assets classified as held for sale	10	13	442	-	-	-	-	-	-	-		465
Transfers	-	30,656	185,475	16,457	376	41,088	-	14,230	2,216	(297,114)	-	(6,616)
Balance as of June 30, 2024	175,582	1,286,381	4,708,557	79,802	6,506	387,354	140,309	119,356	18,915	542,830	62,847	7,528,439

Additions

Argentina business segment:

Investments in the total amount of BRL146,386 for the six-month period ended June 30, 2024 (BRL81,430 for the six-month period ended June 30, 2023), primarily due to the increase of the quarry recovery of BRL41,056 (BRL81,430 for the six-month period ended June 30, 2023), an adaptation process for 25 kg bags of BRL43,496 (BRL 45,170 for the six-month period ended June 30, 2023), an upgrade in the control system of BRL8,003, improvements in railways and locomotives of BRL5,638 (BRL14,134 for the six-month period ended June 30, 2023), improvements in cement plants (including L'amali, San Juan and Zapala) of BRL17,784 and spare parts replacements of BRL19,989.

Brazil business segment:

Investments in the total amount of BRL169,799 for the six-month period ended June 30, 2024 (BRL114,899 for the six-month period ended June 30, 2023), 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

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 June 30, 2024, there are no indicators of relevant additional impairments in property, plant and equipment, even considering the matters from Company's going concern analysis, further commented in Note 1 above, above to the impairment losses already recognized in prior periods to specific assets, due to their market value depreciation, mainly in Brazil. See Note 18 for further information.

Transfers

As of June 30, 2024, there are transfers from property, plant and equipment to other intangible assets in the amount of BRL 6,616.

9. Other intangible assets and goodwill

	06.30.2024	12.31.2023
Other intangible assets:		
Software licenses	41,834	26,366
Mining rights and concession related assets	374,548	372,504
Project development costs	694	574
Trademarks, patents, other intangibles and intangible in progress	35,692	45,697
Total	452,768	445,141

	06.30.2024	12.31.2023
	Goodwill	Goodwill
Goodwill per operating segments:		
Brazil	2,748,643	2,748,643
Argentina	969,070	967,488
	3,717,713	3,716,131

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 of June 30, 2024, there are no relevant indicators that goodwill could be impaired, even considering the matters from Company's going concern analysis, further commented in Note 1 above.

Changes in intangible assets for the six-month period ended June 30, 2024 and 2023 were as follows:

	Software licenses	Mining rights and concession related assets	Project development costs	Trademarks, patents, other intangibles and intangible in progress	Goodwill	Total
Balance as of December 31, 2022	41,301	437,383	1,182	33,930	4,370,493	4,884,289
Effects of hyperinflationary monetary adjustment (Note 2.1)	4,470	-	-	-	971	5,441
Additions	3,326	11,832	-	15,226	-	30,384
Amortization	(6,349)	(21,900)	(524)	(1,203)	-	(29,976)
Impairment reversal (provision)	-	(201)	-	(2)	-	(203)
Effect of changes in exchange rates	(5,034)	(8,503)	-	(84)	(92,896)	(106,517)
Assets classified as held for sale (Note 2.4)	(14)	-	(18)	(68)	-	(100)
Transfers	(648)	20,024	65	(12,701)	-	6,740
Discontinued operations (Note 2.4)	(102)	(48,057)	-	(1,048)	(561,454)	(610,661)
Balance as of June 30, 2023	36,950	390,578	705	34,050	3,717,114	4,179,397
Balance as of December 31, 2023	26,366	372,503	574	45,697	3,716,131	4,161,271
Effects of hyperinflationary monetary adjustment (Note 2.1)	7,715	-	-	-	1,547	9,262
Additions	983	1,728	-	20,230	-	22,941
Disposals	(37)	-	-	(50)	-	(87)
Amortization	(8,184)	(19,247)	(167)	(2,133)	-	(29,731)
Effect of changes in exchange rates	174	-	-	-	35	209
Transfers	14,817	19,564	287	(28,052)	-	6,616
Balance as of June 30, 2024	41,834	374,548	694	35,692	3,717,713	4,170,481

As of June 30, 2024, transfers in Trademarks, patents and others in the amount of BRL 28,052 (BRL 12,701 as of June 30, 2023) refers to intangible in progress items.

10. Borrowings and Financing

						06.30.2024		12.31.2023	
Functional Currency	Business unit	Type of financing	Currency	Annual Interest rates	Maturity	Current	Noncurrent	Current	Noncurrent
ARS	U.N. Argentina	Bilateral	ARS	17%-112%	May-24	-	-	4,299	-
ARS	U.N. Argentina	Bilateral	USD	17%-28%	Jul-24	578	-	712	-
ARS	U.N. Argentina	Working capital	ARS	72% - 96%	Jul-24	259,640	-	37,322	-
ARS	U.N. Argentina	Bilateral	ARS	30.74%	Oct-24	36,572	-	-	-
BRL	U.N. Brazil	Subsidised loan	BRL	2.50% - 5.00%	Dec-24	4,420	-	8,840	-
BRL	U.N. Brazil	Bilateral (*)	BRL	IPCA	Jul-26	40,212	-	52,863	31,653
						341,422	-	104,036	31,653

(*) Bilateral indexed to Extended National Consumer Price Index ("IPCA") is partially guaranteed by a financial investment in the amount of BRL874 as of June 30, 2024 (BRL37,328 as of December 31, 2023) – see Note 5 above. Following the debit restructuring (note 1 above), long term instalments were reclassified to current liabilities.

In January 2024, Intercement Brazil anticipated the credit line obtained from Santander and the guarantee was redeemed a security (CDB) in the amount of BRL30,000 (principal value).

As of June 30, 2024 and December 31, 2023, the incurred interest expenses related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to BRL 304 and BRL 1,135, respectively.

Changes in Borrowings and Financing for the six-month period ended June 30, 2024 and 2023 were as follows (continued operations only):

	Borrowings
Balance as of December 31, 2022	1,146,218
New borrowings and financing	59,765
Payments	(774,861)
Discontinuing operations	(233,611)
Effect of changes in exchange rates	346,153
Balance as of June 30, 2023	543,664
Balance as of December 31, 2023	135,689
New borrowings and financing	1,007,398
Payments	(800,802)
Effect of changes in exchange rates	(863)
Balance as of June 30, 2024	341,422

11. Debentures

Functional Currency	Business unit	Instrument	Currency	Annual interest rate	Final maturity		06.30.2024 Current	06.30.2024 Noncurrent	12.31.2023 Current	12.31.2023 Noncurrent
EUR	Holdings and Financial Vehicles (*)	Senior Notes	USD	5.75%	July-24	a)	3,057,674	-	2,660,420	-
BRL	Holdings and Financial Vehicles (*)	Debenture	BRL	CDI + 3.75%	June-27	b)	1,778,999	-	541,262	1,238,151
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	b)	1,697,093	-	637,561	1,065,805
BRL	U.N. Brazil	Debenture	BRL	CDI + 3.75%	June-27	c)	1,000,000	-	375,000	614,805
ARS	U.N. Argentina	Senior Notes	ARS	Badlar + 2%	August-24	d)	156,260	-	153,518	-
ARS	U.N. Argentina	Senior Notes	USD	6.5%	December-25	e)	-	398,700	-	347,233
ARS	U.N. Argentina	Senior Notes	USD	7.49%	March-26	f)	-	305,740	-	266,272
ARS	U.N. Argentina	Senior Notes	USD	6.5%	May-26	g)	-	55,792	-	48,417
							7,690,026	760,232	4,367,761	3,580,683

(*) 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 June 30, 2024 and December 31,2023, the Group hold bonds at the face value of BRL998,300 (US$199,812 thousand).

(b) On June 8, 2020, the Company issued two Debentures, one by InterCement Participações S.A. in the amount of BRL2,976,666 and another by InterCement Brasil S.A. in the amount of BRL1,700,161). 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 BRL1,000,000 and on February 02, 2023, partially prepaid a principal amount of BRL197,601 related to the instalment that was due in June, 2023, with proceedings from the sale of Egypt business segment (see Note 1). Additionally, according to debenture holder´s meeting agreement the instalments of principal due in June 2023, December 2023 and June 2024 were postponed initially to September 08, 2024. These instruments are guaranteed by Loma Negra shares held by the Company and were scheduled to be mandatorily redeemed in May 2024 if the Company was unable to refinance its existing Senior Notes maturing on July 17, 2024.

Therefore, on July 15, 2024, the Group obtained an injunction ordering the suspension of principal debt payments for a period of 60 days (see Note 24 for further information) postponing the debt to September 13, 2024 and as a consequence of financial contractual clauses, the maturity of the remaining instalments was accelerated, resulting in the entire debt being classified as short-term as presented above. In connection with the injunction ordering and as contractually stipulated, overdue debts will be subject to a non-compensatory late penalty of 2% on the past due amount. The late payment interest will accrue from the date of default until the date of actual payment, at a rate of 1% per month on the outstanding amount. The Company continues to work with its creditors to evaluate the next steps for restructuring its debt. Based on the accrual accounting principle, as of July 17, 2024, the estimated impact of the penalty (with no accounting entry) would be approximately BRL43,389 for Intercement Brasil S.A. and BRL42,260 for Intercement Participações S.A..

(c) On September 30, 2021, InterCement Brasil S.A. issued new Debentures in the amount of BRL1,000,000. The commission fees were BRL 9,230 and are being amortized during the lifetime of the loan using the effective interest method. Additionally, according to debenture holder´s meeting agreement the instalments of principal due in June 2023, December 2023 and June 2024 were postponed initially to September 08, 2024. These instruments are guaranteed by Loma Negra shares held by the Company and were scheduled to be mandatorily redeemed in May 2024 if the Company was unable to refinance its existing Senior Notes maturing on July 17, 2024.

Therefore, on July 15, 2024, the Group obtained an injunction ordering the suspension of principal debt payments for a period of 60 days (see Note 24 for further information) postponing the debt to September 13, 2024 and as a consequence of financial contractual clauses, the maturity of the remaining instalments was accelerated, resulting in the entire debt being classified as short-term as presented above. In connection with the injunction ordering and as contractually stipulated, overdue debts will be subject to a non-compensatory late penalty of 2% on the past due amount. The late payment interest will accrue from the date of default until the date of actual payment, at a rate of 1% per month on the outstanding amount. The Company continues to work with its creditors to evaluate the next steps for restructuring its debt. Based on the accrual accounting principle, as of July 17, 2024, the estimated impact of the penalty (with no accounting entry) would be approximately BRL25,566.

(d) On February 22, 2023, Loma Negra tendered its Class 1 Negotiable Obligations, obtaining as a result a face value of ARS25,636,250 thousand (equivalent to BRL156,260), 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 BRL398,700 (US$71,723 thousand) 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 BRL305,740 (US$55,000 thousand) 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 BRL55,792 (US$10,000 thousand) with interest rate of 6.5%, and a 30-month maturity

As of June 30, 2024 and December 31, 2023, the incurred interest expenses classified as current liabilities and presented as 'Interest payable' amount to BRL 1,139,392 and BRL774,397, respectively.

Changes in debentures and senior notes in the six-month period ended June 30, 2024 and 2023 were as follows (continued operations only):

	Debentures
Balance as of December 31, 2022	7,530,744
New debentures	1,308,629
Payments	(193,818)
Effect of changes in Exchange rates, comissions and other	(700,256)
Balance as of June 30, 2023	7,945,299
Balance as of December 31, 2023	7,948,444
Effect of changes in exchange rates	501,814
Balance as of June 30, 2024	8,450,258

Maturity schedule

As of June 30, 2024, the non-current portion of debentures and senior notes mature as follows (continued operations only):

Period	06.30.2024
2025	398,700
2026	361,532
	760,232

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. The upcoming limits are 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). The upcoming limits are 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 Debenture holders General Meeting on December 7, 2023. Next measurement is on December 31, 2024.

Senior notes

The non-compliance with financial 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 covenants conditions were met.

12. Provisions for tax, civil and labor risks and judicial deposits

Provisions

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

The provision for risks is demonstrated as follows:

	06.30.2024	12.31.2023
Labor and social security	61,361	46,277
Tax (a)	53,073	40,070
Civil and other	11,241	9,720
	125,675	96,067
Judicial deposit (b)	(18,440)	(7,878)
Total	107,235	88,189

(a) Brazil: Refer to tax assessment notices and lawsuits amounting to BRL13,059 (BRL3,018 as of December 31, 2023) 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 BRL19,799 (BRL18,992 as of December 31, 2023).

InterCement Portugal: Refers basically to the provisions for tax risks related to income tax, amounting to BRL16,078 as of June 30, 2024 (BRL14,449 as of December 31, 2023), which are being challenged in courts. In the first quarter of 2023, InterCement Portugal obtained a favourable decision related to an income tax dispute, reverting a provision in the amount of BRL21,709 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:

	06.30.2024	12.31.2023
Labor and social security	6,513	4,497
Tax	10,941	2,405
Civil and other	452	443
Environmental	534	533
Total	18,440	7,878

Changes in the provision for risks for the six-month period ended June 30, 2024 and 2023 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance as of December 31, 2022	38,395	62,728	12,106	(13,798)	99,431
Effects of hyperinflationary monetary adjustment (Note 2.1)	3,420	766	1,304	-	5,490
Recognition/deposit	14,408	875	3,480	1,034	19,797
Payment	(7,086)	(1,600)	(1,975)	4,614	(6,047)
Reversal	-	(18,407)	-	-	(18,407)
Discontinued operations (Note 2.4)	-	(78)	(1,649)	-	(1,727)
Exchange differences	(5,092)	(2,547)	(842)	-	(8,481)
Balance as of June 30, 2023	44,045	41,737	12,424	(8,150)	90,056
Balance as of December 31, 2023	46,277	40,070	9,720	(7,878)	88,189
Effects of hyperinflationary monetary adjustment (Note 2.1)	6,142	392	493	-	7,027
Recognition/deposit	13,479	15,508	2,170	(11,303)	19,854
Payment	(4,783)	(4,668)	(1,439)	741	(10,149)
Effect of changes in exchange rates	246	1,771	297	-	2,314
Balance as of June 30, 2024	61,361	53,073	11,241	(18,440)	107,235

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 or less likely than not of loss for uncertain income tax positions as per IFRIC 23.

As of June 30, 2024, and December 31, 2023, the Group has the following exposure:

	06.30.2024	12.31.2023
Labor and social security	60,436	64,788
Tax and uncertain income tax position (a)	7,198,909	7,088,966
Civil, administrative and other (b)	1,267,656	1,205,282
	8,527,001	8,359,036

The most significant contingent liabilities are:

a) Tax and uncertain income tax position

Brazil – InterCement Brasil S.A.

Risk exposure amounts to BRL5,694,020 as of June 30, 2024 (BRL5,683,234 as of December 31, 2023) and refers mainly to administrative and judicial proceedings related to: administrative and judicial proceedings related to (i) PIS/COFINS - Disallowed credits, alleged non-payment, disputes over the tax incidence on freight between manufacturers and distributors, alleged improper use of credits, and interest on equity; (ii) ISS - Alleged non-payment and non-withholding; (iii) IPTU - Alleged underpayment due to discrepancies in the tax base; (iv) IPI - Reimbursement claims; (v) II, IPI, PIS/COFINS - Importation issues; (vi) ICMS - Matters related to transportation/freight, tax substitution, alleged non-payment, electricity, differential rates, non-compliance with ancillary obligations, and improper credit utilization; (vii) Social Security Contributions - Alleged non-payment; (viii) CFEM - Alleged discrepancies and non-payment.

Tax contingencies that the Company's legal advisors assess as having a higher likelihood of success than failure ("more likely than not"), based on ICPC22/IFRIC 23, include: (i) IRPJ/CSLL - Negative balances/tax losses, alleged insufficient credits and improper expense deductions, interest on equity; (ii) IRPJ/CSLL - Disallowed credits due to alleged improper deductions related to amortization of goodwill from the acquisition of other companies; (iii) IRPJ/CSLL - Taxation on profits earned abroad by controlled and affiliated entities.

Brazil - InterCement Participações S.A.

Risk exposure amounts to BRL916,208 as of June 30, 2024 (BRL889,017 as of December 31, 2023) and refers mainly to ongoing challenges of taxable income earned abroad by subsidiaries and affiliated entities.

Other holdings

Risk exposure is BRL124,556 as of June 30, 2024 (BRL105,789 as of December 31, 2023) and refers to claims for 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 BRL1,577,996 as of June 30, 2024 and BRL1,418,174 as of December 31 (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.

In previous years, 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 2023 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 BRL 122,095 (equivalent to €20,504 thousands) and BRL339,317 (equivalent to €56,983 thousands), respectively for those years, were received and both are being contested, resulting in an exposure risk (plus interest) of BRL524,013 as of June 30, 2024, and BRL454,013 as of December 31, 2023 (equivalent to of about €88,000 thousands and €85,000 thousands, respectively).

For the purposes of suspending the tax enforcement proceedings, for the year 2017 the tax authority accepted the guarantee provided in the form of a Guarantee ("Fiança") from the subsidiary InterCement Trading e Inversiones. For the year 2018, and as far as the company is aware, this same type of guarantee is still pending consideration. Considering the Group recent developments (see Note 1), including in the subsidiary InterCement Trading e Inversiones, Management has formally informed the tax authorities about those developments and requested, in the event that such guarantees are not considered suitable or sufficient, the waiver of the provision of guarantees suspending the tax enforcement process until the final decision of the claims, request that is still pending consideration.

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 lawsuit relates 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 June 30, 2024, the fines imposed to the Group corresponds to BRL1,125,187 and as of December 31, 2023, fines correspond to BRL1,074,481, 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 June 30, 2024. Based on the opinion of the legal advisors, the risk of loss in court has been considered as possible, therefore, no provision was recorded for this contingent liability.

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.

14. Right-of-use assets and lease liabilities

The changes of rights-of-use assets in the six-month period ended June 30, 2024 and 2023 are demonstrated as follows:

Changes in right-of-use assets

	Buildings	Machinery and equipment	Vehicles	Other	Total
Cost					
As of December 31, 2022	82,529	472,847	25,480	5,161	586,017
Additions	1,389	229,501	30,785	2,463	264,138
Write-offs	(360)	-	(274)	-	(634)
Discontinued operations	(10,708)	(4,978)	(37,542)	-	(53,228)
Exchange difference / Effects of hyperinflationary monetary adjustment	(4,123)	(1,115)	(2,682)	-	(7,920)
As of June 30, 2023	68,727	696,255	15,767	7,624	788,373
As of December 31, 2023	54,867	696,027	20,661	7,624	779,179
Additions	95	22,026	42	1,999	24,162
Write-offs	(10,589)	(4,333)	-	-	(14,922)
Impairment	-	3,808	-	-	3,808
Exchange difference / Effects of hyperinflationary monetary adjustment	28,059	-	-	-	28,059
As of June 30, 2024	72,432	717,528	20,703	9,623	820,286
(-) Accummulated depreciation					
As of December 31, 2022	(36,927)	(381,975)	(13,502)	(3,135)	(435,539)
Additions	(5,611)	(42,630)	(9,067)	(618)	(57,926)
Write-offs	360	-	182	-	542
Discontinued operations	6,087	1,701	12,328	-	20,116
Exchange difference / Effects of	2,019	1,345	1,052	(357)	4,059
As of June 30, 2023	(34,072)	(421,559)	(9,007)	(4,110)	(468,748)
As of December 31, 2023	(30,524)	(461,945)	(10,912)	(4,674)	(508,055)
Additions	(4,910)	(32,477)	(2,162)	(1,020)	(40,569)
Write-offs	4,279	-	-	-	4,279
Exchange difference / Effects of hyperinflationary monetary adjustment	(15,343)	-	-	-	(15,343)
As of June 30, 2024	(46,498)	(494,422)	(13,074)	(5,694)	(559,688)
Balance as of June 30, 2024	25,934	223,106	7,629	3,929	260,598
Balance as of December 31, 2023	24,343	234,082	9,749	2,950	271,124

The changes in obligations under finance leases in the six-month period ended June 30, 2024 and 2023 are demonstrated below:

Changes in lease liabilities:

	Lease Liabilities
As of December 31, 2022	165,791
Additions, net of write-offs	263,140
Payments	(77,589)
Present value adjust	27,740
Discontinued operations	(35,264)
Exchange difference / Effects of	(40,233)
As of June 30, 2023	303,585
As of December 31, 2023	303,592
Additions, net of write-offs	34,806
Payments	(58,776)
Present value adjust	24,176
Exchange difference / Effects of	(13,291)
As of June 30, 2024	290,507

The obligations under finance leases are broken-down as current and non-current and are aged as demonstrated below:

Lease liabilities included in the statement of financial position:

	06.30.2024	12.31.2023
Current	70,665	66,200
Non-current	219,842	237,392
Lease liabilities	290,507	303,592

Lease liabilities - Maturity analysis:

	Lease Liabilities
Less than one year	70,665
One to five years	216,837
More than five years	3,005
Lease liabilities	290,507

15. Shareholder's Equity

Share Capital

As of June 30, 2024 and December 31, 2023 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.

Earning Reserves – Transaction with non-controlling interests

Argentinian subsidiary – acquisition of non-controlling interests of Loma Negra own shares

During the six months ended 30 June 2024, Loma Negra acquired 65,624 own shares for a total cash disbursement of BRL 1,837, of which a loss of BRL 958 were attributed to Company´s owners. On the six month period ended June, 2023, there was no purchase of own shares.

In cumulative terms, as of June 30, 2024, Loma Negra had acquired 12,417,953 own shares for a total value of BRL 179,234, which is equivalent to 2.13% of total shares (As of December 31, 2023, had acquired 12,352,329 own shares for a total value of BRL 177,397, which is equivalent to 2.07% of total shares).

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, 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 attributable to Company´s owners of BRL478,298 (BRL 249,696 for the six-month period ended June 30, 2023) corresponds to: i) equity recognition of actuarial losses on the employee benefits plan in the amount of BRL958 (negative of BRL756 for the six-month period ended June 30,2023); ii) negative equity recognition of exchange differences from translation of foreign operations in the amount of BRL237,257 (negative BRL4,229,646 for the six-month period ended June 30, 2023 of which a positive amount of BRL63,518 relates to discontinued operations) (see Note 2.4); (iii) negative equity recognition of derivative and hedging transactions amounting to BRL27,748, net of taxes (BRL 2,185 for the six-month period ended June 30, 2023); and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of BRL744,261 (BRL4,477,913 for the six-month period ended June 30, 2023).

The exchange differences from translation of foreign operations from discontinued operation for the six-month period ended June 30, 2023 aforementioned (BRL63,518) refers to the reversal of an accumulated loss of BRL224,183 to the statement of profit or loss as a result of the Egypt segment disposal (see Note 2.4). Such reversal is partially offset by the negative exchange variation from translation of Mozambique and Africa of BRL160,665, which was recycled to the statement of profit or loss only at the disposal, occurred in December 31, 2023.

Non-controlling interests

Changes in non-controlling interests

a) Other comprehensive income:

The amount of BRL701,244 (BRL92,651 for the six-month period ended June 30, 2023) corresponds to: i) equity recognition of actuarial loss on the liability to employees in the amount of BRL879 (gain of BRL694 for the six-month period ended June 30, 2023); ii) positive exchange differences from translation of foreign operations in the amount of BRL23,710 (negative of BRL4,243,617 for the six-month period ended June 30, 2023 of which a negative amount of BRL31,779 relates to discontinued operations) (see Note 2.4); iii) negative equity recognition of derivative, hedging and actuarial transactions amounting to BRL 9,047 (positive of BRL7 for the six-month period ended June 30, 2023); and (iv) positive effect of hyperinflationary monetary adjustment in Argentinian business segment of BRL687,460 (positive of BRL4,151,655 for the six-month period ended June 30, 2023).

b) Dividends declared to non-controlling interests:

i. For the six-month period ended June 30, 2024, special purposes entities (SPEs) controlled by Brazilian subsidiaries declared dividends to non-controlling interests in the amount of BRL27,048 related to 2023 results (BRL37,869 for the six-months period ended June 30, 2023 related to 2022 results).

ii. On May and June, 2023, Argentinean subsidiary (Loma Negra) announced payment of dividends for a total amount of BRL729,554. The payments occurred on May 5, 2023 and July 4, 2023, of which BRL226,896 and BRL122,284 respectively was paid to non-controlling shareholders.

16. Income Tax and Social Contribution

For the six-month period ended June 30, 2024 and 2023, the reconciliation between the nominal and the effective income tax was as follows:

	06.30.2024	06.30.2023
Profit (Loss) before income tax and social contribution	482,050	(373,377)
Group Tax rate	34%	34%
Income tax and social contribution at statutory rates	(163,897)	126,948
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)	483	15,022
Non-deductible financial expenses in Spanish subsidiary (a)	(51,427)	(47,744)
Effect of differences in foreigner tax rates to Group tax rate (34%)	(30,035)	(38,557)
Deferred income tax and social contribution not recognized (b)	(94,331)	(100,067)
Other (c)	24,378	31,094
Income tax and social contribution expense	(314,829)	(40,621)

(a) For the period ended June 30, 2024, it mainly refers to deduction of BRL51,427 (deduction of BRL47,744 for the period ended June 30, 2023) related to the effect of financial transactions recorded in the Spanish subsidiary that were excluded for tax purposes.

(b) For the period ended June 30, 2024, 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 BRL 878,990 of previously unrecognized deferred taxes.

(c) For the six-month period ended June 30, 2024, it mainly refers to (i) positive amount of BRL19,616 related to the impact of monetary adjustment in Argentina due to hyperinflationary economy (positive amount of BRL454 for the six-month period ended June 30,2023); (ii) a positive impact of BRL13,885 related to results recorded in our Spanish subsidiary that were eliminated for consolidation purposes as they were transactions between group entities (positive impact of BRL13,706 for the six-month period ended June 30, 2023). Such results are deductible for tax purposes in local books and, therefore, represent a permanent difference in the group effective tax rate; (iii) positive amount of BRL20,769 mainly generated by entities in Brazilian segment taxed under the presumed profit tax rules and other permanent differences in Brazil (positive amount of BRL16,934 for the six-month period ended June 30, 2023).

Deferred income tax and social contribution

As indicated above, deferred income tax and social contribution were recognized on tax losses carryforwards and temporary differences in the recognition of revenues and expenses between tax books and corporate records, to the extent considered realizable by the subsidiaries.

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.

The subsidiary InterCement Brasil S.A. assesses the realization of deferred tax assets at the end of each reporting period. The review carried out on June 30, 2024 indicates that these deferred tax assets, which are recognized up to the realization limit in accordance with the Company's accounting policy, will still be realized within 10 years when the deferred taxes are recognized in 2021, with the Company no longer recognizing new deferred tax assets until it returns to generating taxable profit.

Furthermore, as of June 30, 2024, the Brazil segment has an accumulated balance of fiscal loss and negative base in the amount of BRL 2,066,942 (BRL1,871,529 for the period ended December 31, 2023). Therefore, there remains an amount of fiscal losses and negative base of BRL1,070,827 for which no deferred tax asset has yet been recognized, and in the event of an improvement in financial position and profitable income tax generation, the Company may recognize additional deferred tax asset in the amount of BRL364,081.

The projections for the realization of the remaining deferred tax asset depend, however, on the success of the ongoing negotiations with the Company's respective creditors, as mentioned in Note 1, which will have a direct impact on the projections of future taxable profits.

17. Net Sales

The breakdown of the Company's net sales for the six-month period ended June 30, 2024 and 2023 are as follws:

	06.30.2024	06.30.2023
Products sold	4,659,031	4,952,413
Services provided	69,607	163,995
(-) Taxes on sales	(530,128)	(563,954)
(-) Discounts	(1,000,172)	(911,688)
Total	3,198,338	3,640,766

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

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

	06.30.2024	06.30.2023
Depreciation and amortization	(367,712)	(371,583)
Impairment losses, net (a)	68,336	(10,210)
Salaries and employee benefits	(480,063)	(525,441)
Raw materials and consumables	(379,267)	(554,905)
Tax expenses	(60,583)	(85,295)
Outside services	(215,006)	(168,141)
Rental	(6,006)	(6,670)
Freight expenses	(318,463)	(382,020)
Maintenance costs	(262,012)	(232,701)
Fuel	(465,202)	(611,441)
Electricity	(171,058)	(178,581)
Specialized work	(74,670)	(98,596)
Recognition of inventories and trade receivable impairments	(5,688)	(2,755)
Gain (Loss) on sale of property, plant and equipment	(46,462)	2,166
Other (b)	(48,768)	(86,671)
Total	(2,832,624)	(3,312,844)
Cost of sales and services	(2,552,843)	(2,908,159)
Selling expenses	(154,971)	(171,632)
Administrative expenses	(200,416)	(224,316)
Other income/(expenses)	75,606	(8,737)
Total	(2,832,624)	(3,312,844)

a) In the six-month period ended June 30, 2024, it substantially refers to the reversal of the provision related to the sale of non-operational equipment from the João Pessoa unit, which had been classified by management as available for sale in 2023, and which sale was concluded in the current semester. In the six-month period ended June 30, 2023, refers to impairment losses recognized to certain fixed assets in Brazil due to market value depreciation.

b) In the six-month period ended June 30, 2024, includes a reversal of the provision related to the sale of non-operational equipment from the João Pessoa unit, which had been classified by management as available for sale in 2023, and which sale was concluded in the current semester.

c) The six-month period ended June 30, 2024, substantially refers to the recovery of ICMS on cement transfers for concrete in the amount of BRL14,624 and the recovery of PIS/Cofins credits in the amount of BRL1,719 related to overdue credits referring to various expenses, including medical assistance, tolls, and logistics. The six-month period ended June 30, 2023, includes (i) the recognition of extemporaneous tax credit in Brazil in the amount of BRL 16,496, resulting from a favourable court decision from a dispute regarding the possibility to reduce from tax basis interests and fines and ii) the recognition of discount associated with the operation of sale of PIS/Cofins credits in the amount of BRL 33,279

19. Financial Income (Expenses) and Foreign Exchanges Gain (Losses), net

	06.30.2024	06.30.2023
Foreign exchange gain (losses), net (a):		
Exchange gain	517,131	148,264
Exchange loss	(653,168)	(436,941)
Total	(136,037)	(288,677)
Financial income:		
Inflation adjustment	449,580	12,693
Effects of Hyperinflationary monetary adjustments (b)	577,530	360,970
Financial earnings	17,276	51,997
Interest income	3,424	1,072
Derivative financial instruments	18,251	1,127
Other income	6,600	9,831
Total	1,072,661	437,690
Financial expenses:		
Inflation adjustment	(28,206)	(63,961)
Expenses on interest and charges (c)	(666,580)	(686,607)
Expenses on banking commissions	(10,120)	(10,353)
Fines	(986)	(2,110)
Derivative financial instruments	(3,286)	(13,790)
Lease liabilities present value	(24,176)	(25,181)
Other expenses (d)	(86,934)	(48,310)
Total	(820,288)	(850,312)

(a) The exchange differences are mainly influenced by the appreciation and depreciation of functional currencies against other currencies (mainly US$ and Euro). The six-month period ended June 30, 2023 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 six-month period ended June 30, 2024 it was 79.8% against 50.6% in the comparable period.

(c) For the six-month period ended June 30, 2024, includes interests on debentures in the amount of BRL368,616 (BRL332,777 for the six-month period ended June 30, 2023) and interest on senior notes in the amount of BRL 216,895 (BRL263,593 for the six-month period ended June 30,2023).

(d) For the six-month period ended June 30, 2024 it includes: i) BRL2,919 related to PIS and COFINS on financial income in Brazilian business segment (BRL3,360 for the six-month period ended June 30, 2023), ii) BRL7,032 related to PIS and COFINS on financial income in InterCement Participações S.A. (BRL8,093 for the six-month period ended June 30, 2023), iii) BRL189 related to financial transaction expenses (IOF) at InterCement Participações S.A (BRL 5,047 for the six-month period ended June 30, 2023), (iv) BRL33,049 related to discounts allowed in Argentinean business segment (BRL9,765 for the six-month period ended June 30,2023) and BRL32,372 related to monetary adjustments of liabilities in Argentinean business segment (BRL9,004 for the six-month period ended June 30, 2023).

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 2030 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:

	06.30.2024
2024	136,761
2025	178,783
2026	178,783
2027	151,807
After 2027	539,092
Total	1,185,226

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:

	06.30.2024
2024	135,391
2025	267,600
2026	172,939
2027	134,999
After 2027	350,821
Total	1,061,750

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 BRL18,705(ARS3,068,916 thousands) during 2024, and BRL149,647(ARS 24,551,331 thousand) 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 BR77,300(ARS12,681,938thousands) to be paid during 2024 and BRL227,032 (ARS37,247,260 thousands) to be paid between 2025 and 2027; and (ii) for the supply of energy in the amount of BRL39,377(ARS6,460,243thousands) to be paid during 2024 and BRL549,671 (ARS90,179,755thousands) to be paid between 2025 and 2038.

21. Profit (loss) per share

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

	06.30.2024	06.30.2023 Recasted
Profit (Loss) for the period from continuing and discontinuing operations attributable to Company's owners	(123,779)	(752,569)
Profit (Loss) for the period attributable to common shares	(123,779)	(752,569)
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted loss per common share	(2.34)	(14.22)
Profit (Loss) for the period from continuing operations attributable to Company's owners	(147,700)	(550,873)
Profit (Loss) for the period attributable to common shares	(147,700)	(550,873)
Weighted average number of common shares	52,920,764	52,920,764
Basic/diluted loss per common share	(2.79)	(10.41)

22. 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 Company contracts short-term investments, borrowings and financing, debentures as well as derivatives.

22.1. 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 obligations under finance leases are not included within the net debt.

As mentioned in Note 10 and 11, 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 calculated 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.

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.

22.2. 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 means the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters 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 forecast financials by means of strict financial planning based on multi-year budgets.

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

The Group, as a rule, does not take speculative positions and so 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).

22.3. 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 latter 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 expectations concerning the development of market rates.

As of June 30, 2024, there were no hedge instruments contracted to protect such risks.

Exposure to interest rate risks and to floating and fixed rates

The Group is exposed to floating interest rates and inflation rates mainly related to changes in the IGP-M, CDI, Libor, Prime-rate, Jibar, 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	06.30.2024	12.31.2023 Recasted
Assets:							
CDI	-	-	1,281,713	874	-	1,282,587	496,161
Total	-	-	1,281,713	874	-	1,282,587	496,161
Liabilities:							
IGP-M	-	-	-	-	51,663	51,663	52,407
CDI	-	4,476,092	-	-	-	4,476,092	4,472,587
Badlar	-	156,260	-	-	-	156,260	153,518
IPCA	40,212	-	-	-	-	40,212	84,515
Total	40,212	4,632,352	-	-	51,663	4,724,227	4,763,027

As of June 30, 2024, the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, are as follows:

	06.30.2024	12.31.2023
Floating rates	53%	58%
Fixed rates	47%	42%

22.4. 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 in such countries, when applicable.

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 June 30, 2024, in case such instruments were used for the liquidation of the aforementioned operations, would result in a negative impact of approximately 48% over the net position in dollars.

For the six-month period ended June 30, 2024, 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 individual financial results may be materially impacted by exchange rate fluctuations.

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

	06.30.2024	12.31.2023 Recasted
Assets:		
Cash, cash equivalents and securities	186,848	1,204,096
Related parties (a)	3,968,173	3,659,468
Other assets	72,723	65,545
Exposed assets	4,227,744	4,929,109
Liabilities:		
Borrowings, financing and debentures (Note 9 and 10)	3,818,484	3,323,049
Interest payable	79,773	69,387
Foreign trade payables	122,121	110,904
Related parties (a)	1,250,408	1,146,481
Other liabilities	17,341	22,687
Exposed liabilities	5,288,127	4,672,508
Exposed net position liabitity	(1,060,383)	256,601

(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 June 30, 2024, the Related Parties payables and receivables of BRL5,909,934 and BRL1,110,735, respectively, were determined to be part of entity´s net investment and the exchange difference since inception of BRL227,209 were recorded within “other comprehensive income” (an increase of BRL108,292 for the six-month period ended June 30, 2024).

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

		06.30.2024		12.31.2023 Recasted	
Functional currency	**Currency**	**Currency**	**BRL**	**Currency**	**BRL**
ARS	USD	271	1,504	4,900,375	29,348
BRL	USD	558	3,100	16,174	16,175
EUR	USD	32,718	181,875	216,402	1,158,094
ARS	EUR	10	61	9,559	58
EUR	EGP	2,721	308	79	421
Amount exposed to foreign exchange risks			186,848		1,204,096
BRL	BRL	1,284,566	1,284,566	507,063	507,063
EUR	EUR	5,210	31,024	5,223	27,954
ARS	ARS	2,822,325	17,203	1,764,038	10,564
Amount by functional currency			1,332,793		545,581
			1,519,641		1,749,677

The main debt instruments (essentially related with loans and debentures) as of June 30, 2024 and December 31, 2023, were denominated in the following currencies:

	06.30.2024	**12.31.2023**
USD	43%	41%
BRL	52%	57%
Other	5%	2%

22.5. 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 pursuit of the Group’s activities.

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

	06.30.2024					12.31.2023 Recasted
	Up to 1 year	1-2 years	3-5 years	More than 5 years	Total	
Borrowings and financing and debentures	9,619,910	740,297	-	-	10,360,207	10,509,341
Trade payables	879,925	-	-	-	879,925	927,403
Obligations from confirming	366	-	-	-	366	12,490
Obligations under finance leases	109,236	104,013	164,400	3,134	380,783	405,125
	10,609,437	844,310	164,400	3,134	11,621,281	11,854,359

22.6. Credit risk

The market 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 lessen the probability of defaulting on its obligations.

The Group's level of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). As described in Notes 10 and 11, as of December 31, 2023, the Company complied or obtained waiver with restrictive covenants.

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.

22.7. 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 endeavours 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.

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 June 30, 2024 were as follow:

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

A parallel change of +/- in the interest rate curves applied on principal amounts as of June 30, 2024, 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%
CDI	BRL	(3,193,505)	(31,935)	(63,870)	(95,805)
IPCA	BRL	(40,212)	(402)	(804)	(1,206)
Badlar	ARS	(156,260)	(1,563)	(3,125)	(4,688)

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 June 30, 2024, the significant impacts on net financial results would be as follows:

Amount in USD	Transaction Currency	Amount in BRL Asset (liability)	Local Currency	FX rate Local / Transaction	USD depreciation -10%	USD depreciation -5%	USD appreciation 5%	USD appreciation 10%
31,644	US$	175,907	EUR	0.93	(3,164)	(1,582)	1,582	3,164
(147,781)	US$	(821,500)	ARS	912.00	14,778	7,389	(7,389)	(14,778)
(30,050)	US$	(167,045)	BRL	5.56	3,005	1,502	(1,502)	(3,005)
		(812,638)	Total exposure US$ dollars x local currency					

Amount in EUR	Transaction Currency	Amount in BRL Asset (liability)	Local Currency	FX rate Local / Transaction	EUR depreciation -10%	EUR depreciation -5.0%	EUR appreciation 5.0%	EUR appreciation 10.0%
(17,529)	EUR	(104,380)	BRL	5.95	1,636	818	(818)	(1,636)
(1,869)	EUR	(11,129)	ARS	976.94	175	87	(87)	(175)
		(115,509)	Total exposure EURO x local currency					

Amount in EGP	Transaction Currency	Amount in BRL Asset (liability)	Local Currency	FX rate Local / Transaction	EGP depreciation -10%	EGP depreciation -5.0%	EGP appreciation 5.0%	EGP appreciation 10.0%
2,172	EGP	490	EUR	26.41	(8)	(4)	4	5
		490	Total exposure EGP x local currency					

Amount in BRL	Transaction Currency	Amount in BRL Asset (liability)	Local Currency	FX rate Local / Transaction	BRL depreciation -10%	BRL depreciation -5.0%	BRL appreciation 5.0%	BRL appreciation 10.0%
(140,083)	EUR	(140,083)	EUR	5.95	2,291	1,200	(1,200)	(2,291)
(3)	BRL	(3)	ARS	164.06	0	0 -	(0)	(1)
		(140,086)	Total exposure BRL x local currency					

22.8. Categories of financial instruments

	06.30.2024	12.31.2023 Recasted
Current assets:		
Cash and bank accounts (Note 3)	236,537	1,280,603
Financial assets at amortized cost:		
Trade receivables (Note 5)	523,582	266,806
Other receivables	135,953	130,371
Financial assets at fair-value through profit & Loss:		
Short-term investments - financial asset (Note 3)	1,283,104	469,073
Non-current assets:		
Financial assets at amortized cost:		
Trade receivables (Note 5)	2,265	2,549
Other receivables	84,259	59,675
Long-term investments - financial asset (Note 4)	6,762	43,283
Financial assets at fair-value through profit & loss:		
Derivatives (Note 22.10)	16,406	1,441
Current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	7,690,026	4,367,761
Borrowings and financing (Note 9)	341,422	104,036
Trade payables	879,925	927,403
Obligations from confirming	366	12,490
Interest payable (Notes 9 and 10)	1,139,696	775,533
Lease liabilities (Note 14)	70,665	66,200
Other payables	170,252	193,056
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 10)	760,232	3,580,683
Borrowings and financing (Note 9)	-	31,653
Lease liabilities (Note 14)	219,842	237,392
Other payables	115,875	132,448

22.9. Derivative transactions

It is represented by trading derivatives options in connection with "Baes", "Machadinho" and "Estreito" operations, whose assets and liabilities fair value as of June 30, 2024 and December 31, 2023 are demonstrated below:

	Assets	
	Non-current	
	06.30.2024	12.31.2023
Written-put options ("Baesa", "Machadinho" and "Estreito" operations)	16,406	1,441
	16,406	1,441

22.10. 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 June 30, 2024 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 information;
- 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	1,283,104	-
Financial assets at fair value	Financial derivative instruments	-	16,406

The valuation technique to determine the fair value measurement of the financial instruments categorized within Level 3 of the fair value hierarchy, which comprises the derivative options of "Baesa", "Machadinho" and "Estreito" operations, was Black-Scholes. The significant unobservable inputs to the measurement include: expected future 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 – assets and 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:

	06.30.2024		12.31.2023 Recasted	
	Amortized cost	Fair value	Amortized cost	Fair value
Borrowing and financing (Note 9)	341,422	123,832	135,689	93,743
Debentures (Note 10)	8,450,258	8,891,984	7,948,444	7,944,194
Leases liabilities (Note 14)	290,507	293,849	303,592	342,146

23. 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 Statement of profit or loss information (continuing operations) are as follows:

	06.30.24				06.30.23			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	1,528,084	-	1,528,084	113,143	1,744,407	-	1,744,407	62,437
Argentina	1,660,883	-	1,660,883	246,333	1,898,653	-	1,898,653	294,235
Total	3,188,967	-	3,188,967	359,476	3,643,060	-	3,643,060	356,672
Unallocated (a)	9,371	(14,661)	(5,290)	6,238	(2,294)	(91)	(2,385)	(28,750)
Eliminations	-	14,661	14,661	-	-	91	91	-
Sub-total	3,198,338	-	3,198,338	365,714	3,640,766	-	3,640,766	327,922
Income before financial income (expenses)				365,714				327,922
Foreign exchange, net				(136,037)				(288,677)
Financial income				1,072,661				437,690
Financial expenses				(820,288)				(850,312)
Loss before income tax and social contribution				482,050				(373,377)
Income tax and social contribution				(314,829)				(40,621)
Loss for the period from continuing operations				167,221				(413,998)
Loss for the period from discontinued operations (2.4)				23,921				(202,257)
Loss for the period				191,142				(616,255)

(a) This caption includes holding companies and trading companies not attributable to specific segments.

The profit or loss for each six-month period above includes the full amount of the Company's segments disregarding the following amounts attributable to non-controlling interests:

	Noncontrolling interests	
	06.30.24	06.30.23
Operating segments:		
Brazil	53,137	59,722
Argentina	262,421	78,370
	315,558	138,092
Unallocated	(637)	(1,217)
	314,921	136,875
Discontinued operating segments (2.4)	-	(561)
Profit/(Loss) for the year attributable to non-controlling interests	314,921	136,314

Other information:

	06.30.24		06.30.23	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	191,751	200,816	147,899	228,971
Argentina	147,369	167,266	88,965	152,020
Mozambique	-	-	-	-
South Africa	-	-	-	-
	339,120	368,082	236,864	380,991
Unallocated	6	(370)	-	802
	339,126	367,712	236,864	381,793
Discontinued operating segments	-	-	10,294	46,020
Total	339,126	367,712	247,158	427,813

The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets.

In addition, segment assets and liabilities reconciled with the consolidated balances as of June 30, 2024 and December 31, 2023 are as follows:

	06.30.24			12.31.2023		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	8,064,264	5,178,534	2,885,730	7,740,429	4,737,293	3,003,136
Argentina	8,014,306	3,276,769	4,737,537	4,792,224	2,064,253	2,727,971
Total	16,078,570	8,455,303	7,623,267	12,532,653	6,801,546	5,731,107
Unallocated	1,436,483	5,954,445	(4,517,962)	1,501,438	5,467,976	(3,966,538)
Eliminations	(916,177)	(916,177)	-	(588,937)	(588,937)	-
Total	16,598,876	13,493,571	3,105,305	13,445,154	11,680,585	1,764,569
Discontinued operating segments	-	-	-	206,996	209,896	(2,900)
Eliminations	-	-	-	(210,193)	(210,193)	-
Total discontinued segments	-	-	-	(3,197)	(297)	(2,900)
Inter-segment eliminations	-	-	-	3,724	3,724	-
Total	16,598,876	13,493,571	3,105,305	13,445,681	11,684,012	1,761,669

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

24. Events After the Reporting Period

Preliminary Injunction

On July 15, 2024, the Company obtained a preliminary injunction that suspends, for a period of 60 days, the execution of enforcement actions related to the credits encompassed by this injunction, as well as the application of the statute of limitations against the Company. This injunction does not affect the obligations the Company has undertaken towards its suppliers, employees, customers, service providers, and other business partners, as mentioned in note 1. This development is aligned with the ongoing debt restructuring efforts of the Company.

Exclusivity agreement with CSN

On July 23, 2024, the Company and its controlling shareholder (Mover) signed a new agreement granting exclusivity to Companhia Siderúrgica Nacional (CSN) on the potential acquisition of shares representing 100% of the Company's share capital, which expired on August 12, 2024.

25. Authorization for issuance of the Condensed consolidated financial information

At the meeting held on August 22, 2024, the Audit Committee recommended the issuance of this condensed consolidated interim financial information, which was endorsed by the Board of Directors.