GCC, S.A.B. DE C.V.

Avenida Vicente Suarez y Sexta s/n
Zona Industrial Nombre de Dios, C.P. 31105
Chihuahua, Chihuahua, Mexico

Annual Report submitted as per the general provisions applicable to securities issuers and other market participants for the year ended on December 31, 2023.

Outstanding securities as of April 30, 2024:

337,400,000 nominative common shares, Class I, Single Series*

*Subject to certain exceptions, GCC's bylaws state that prior approval of the Board of Directors will be required (i) to carry out any acquisition, directly or indirectly, of blocks of shares, instruments referred to or representative of shares, instruments convertible into or exchangeable for shares or rights concerning shares, representing a percentage equal to or greater than 3% (three percent) of GCC's outstanding capital stock, (ii) to enter into agreements, oral or written, as a consequence of which mechanisms or association agreements are formed or adopted for voting, or voting in concert or jointly, concerning shares, instruments convertible into or exchangeable for shares or rights in respect of shares, for a percentage equal to or greater than 3% (three percent), and (iii) for any of GCC's competitors to acquire, directly or indirectly, blocks of shares, instruments referred to or representative of shares, instruments convertible into or exchangeable for shares or rights in respect of shares.

The securities issued by GCC, S.A.B. de C.V., ticker GCC*, are registered in the Securities Section and are traded in the Mexican Stock Exchange, Bolsa Mexicana de Valores, S.A.B. de C.V.

Registration in the National Registry of Securities (Registro Nacional de Valores) does not imply certification of the attractiveness or value of the securities; solvency or financial standing of the issuer; or the accuracy or truthfulness of the information contained in the Annual Report. Registration does not authenticate acts, if any, that could have been conducted in breach of the Law.

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1) Company information

All the information contained in this report and/or any of its attachments, including the disclosure of GCC's adherence to the Best Corporate Practices Code, may be consulted by investors on the Company's website: www.gcc.com or through the Mexican Stock Exchange (BMV) at its offices or on its website: www.bmv.com.mx

Copies of said documents, as well as the quarterly and annual information delivered to the CNBV and the BMV, may be obtained by any investor upon request by contacting GCC´s Finance and Planning Department, at its offices located on Avenida Vicente Suarez y Calle Sexta s/n, Colonia Nombre de Dios, C.P. 31105, Chihuahua, Chihuahua, Mexico, or by dialing +52 (614) 442-3217 or +52 (614) 442-3176, attention to Maik Strecker, or by sending an e-mail to investors@gcc.com.

1.a) Glossary of terms and definitions

"2024 Notes"	means the issuance abroad of 5.25% Senior Notes due 2024 for US$260 million with a single principal payment at maturity
"Aggregates"	means sand, gravel, ballast, limestone and crushed base
"Alkalis"	means sodium oxides and potassium oxides that may react in cement when the aggregates contain certain mineral constituents
"BMV"	means the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.)*
"Bolivia"	means Plurinational State of Bolivia (previously known as the Republic of Bolivia)
"CAMCEM"	means CAMCEM, S.A. de C.V.
"CANACEM"	means National Chamber of Cement (*Cámara Nacional del Cemento*)
"CCS"	means Consorcio Cementero del Sur, S.A.
"CDC or "Cementos de Chihuahua"	means Cementos de Chihuahua, S.A. de C.V.
"CEMEX"	means CEMEX, S.A.B. de C.V.
"CHRO"	means Chief Human Resources Officer
"CIMSA"	means Compañía de Inversiones Mercantiles, S.A.
"Clinker"	means an intermediate product used in cement production obtained from the mixture of limestone and clay with iron oxide

"CNBV"	means National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*)
"Deloitte"	means Deloitte Touche Tohmatsu Limited and/or Galaz, Yamazaki, Ruiz Urquiza, S.C., member of Deloitte Touche Tohmatsu Limited
"Dollar", "Dollars" or "US$"	mean the United States of America currency
"EPA"	means U.S. Environmental Protection Agency
"FCPA"	means Foreign Corrupt Practices Act of 1977
"FHWA"	means Federal Highway Administration
"Financial statements"	means the audited consolidated financial statements of financial position as of December 31, 2023, 2022, and 2021, and the consolidated income statements, statements of changes in stockholders' equity and cash flows for the years ended 2023, 2022, and 2021, and the accompanying notes to the external auditors' report
"Fitch Ratings"	means Fitch Ratings, credit rating agency
"Fundación GCC"	means Fundación GCC, A.C.
"GCC"	means GCC, S.A.B. de C.V. and subsidiaries
"GCC Cemento"	means GCC Cemento, S.A. de C.V.
"GCCA"	means Global Cement and Concrete Association
"GCC Latinoamérica"	means GCC Latinoamérica, S.A. de C.V.
"GDP"	means gross domestic product
"GHGs"	means greenhouse gas emissions
"Holcim"	means Holcim, Ltd.
"Holcim Mexico"	means Holcim México Operaciones, S.A. de C.V.
"IACAC"	means Inter-American Commercial Arbitration Commission

"IASB"	means International Accounting Standards Board
"IFRS"	means the International Financial Reporting Standards issued by the International Accounting Standards Board
"IMF"	means International Monetary Fund
"Indeval"	means the Institute for the Deposit of Securities (*S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.*)
"INFONAVIT"	means Federal Institute for Workers Housing (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*)
"Installed capacity"	means the theoretical annual production capacity of a plant
"Issuer" or "the Company"	means GCC, S.A.B. de C.V. and subsidiaries
"IT"	means information technologies
"LGSM"	means General Law of Business Corporations (*Ley General de Sociedades Mercantiles*)
"LIBOR"	means London Interbank Offered Rate
"LMV"	means Mexican Securities Market Law (*Ley del Mercado de Valores*)
"Mexico"	means the United Mexican States
"MidCo"	means Mid-Continent Concrete Company, Inc.
"Mortar"	means a hydraulic cement used in masonry, consisting of a mixture of clinker and plasticization materials such as: limestone or hydrated or hydraulic lime together with other materials to increase one or more properties such as setting, water retention and durability
"NAFTA"	means North America Free Trade Agreement
"NAPA"	means National Asphalt Pavement Association
"NRMCA"	means National Ready Mixed Concrete Association
"PCA"	means Portland Cement Association

"Portland"	means the hydraulic cement produced through clinker pulverization consisting essentially of hydraulic calcium silicate, usually containing one or more forms of calcium sulfates as an addition during grinding
"Ps", "Peso" or "Pesos"	means Mexican currency, in the understanding that all the figures in pesos herein are stated in nominal pesos
"Ready-mix concrete"	means the mixture of cement, aggregates and water; that is prepared and delivered to the final consumer using mixer trucks
"Report"	means this annual report presented for the year ended December 31, 2023
"RNV"	means the National Securities Registry (Registro Nacional de Valores)
"SBTi"	means Science Based Targets initiative
"SEMARNAT"	means the Ministry of the Environment and Natural Resources (Secretaria de Medio Ambiente y Recursos Naturales)
"SLB"	means the issuance abroad of a 3.614% Sustainability Linked Bond due April 2032 with a single principal payment at maturity.
"SOBOCE"	means Sociedad Boliviana de Cemento, S.A.
"Standard & Poor's"	means Standard and Poor's, credit rating agency
"Subsidiaries"	means all GCC's subsidiaries in Mexico, the United States and Canada
"U.S. GAAP"	means the United States Generally Accepted Accounting Principles
"U.S.A", "U.S." or "The United States"	means the United States of America
"USGS"	means United States Geological Survey
"USMCA"	means United States-Mexico-Canada Agreement
"WBCSD"	means World Business Council for Sustainable Development

The tonnes referred to herein are metric tons (1 metric ton = 1,000 kilograms) unless otherwise stated.

1.b) Executive summary

The following is a summary of the information contained in this report.

GCC

GCC, S.A.B. de C.V. ("GCC" or the "Company") is a holding company with operations in the corridor that extends from northern Mexico through the United States and into Canada. GCC produces, markets, and distributes cement, ready-mix concrete, aggregates, coal and other construction materials.

In the United States, GCC successfully participates in the cement and ready-mix concrete markets. The Company owns five cement plants with an annual production capacity of approximately 3.5 million tons in Odessa, Texas; Pueblo, Colorado; Rapid City, South Dakota; Trident, Montana; and Tijeras, New Mexico. GCC also has 23 cement distribution terminals and transferring stations in Colorado, Iowa, Minnesota, Montana, New Mexico, North Dakota, South Dakota, Utah, Wyoming, and West Texas. Furthermore, GCC is one of the leading producers of ready-mix concrete, supplying regional markets in the states of Texas, New Mexico, Iowa, South Dakota, Minnesota, and North Dakota. GCC has 49 ready-mix concrete plants, a fleet of 298 ready-mix concrete mixer trucks and 161 haul trucks, 6 aggregates plants, 3 asphalt plants, and approximately 2,788 railcars used to transport bulk cement.

In Mexico, GCC operates in the state of Chihuahua, where it owns three cement plants with a total annual production capacity of approximately 2.5 million tons in the cities of Chihuahua and Juarez and the town of Samalayuca. GCC´s operations in Mexico also include 46 ready-mix concrete plants, 283 mixer trucks, 6 concrete block plants, 4 aggregates plants, 2 precast plants, a transportation fleet that consists of 230 cement and aggregates trucks, and 2 building materials distribution centers. In the state of Chihuahua, GCC is the leader in most of the markets in which it participates (cement, ready-mix concrete, aggregates, concrete blocks, and prefabricated products) as it owns the only cement plant in the state. This leadership position is the result of offering high-quality products, providing service beyond customers' expectations, and having state-of-the-art technology for production and distribution.

GCC has vertically integrated operations in Mexico and in most of the markets in the United States in which it operates, which helps the Company manage costs at each stage of the production, distribution, and sale of its products. GCC owns most of the facilities that supply the raw materials necessary to produce cement, including all the limestone quarries needed to supply its operations in the United States and Mexico and most of the clay, gypsum quarries and other materials needed to supply its Mexican operations. These materials represent approximately 95% of the total raw materials necessary to produce cement. GCC efficiently supplies most of the cement required in the ready-mix concrete production from its cement plants through its distribution network. This distribution network also enables the Company to allocate cement inventories closer to its customers, reducing delivery times and allowing GCC to meet its customers' needs more efficiently. In addition, GCC has a coal mine in the state of Colorado in the United States, which supplies the coal requirements of its cement plants, as well as supplying coal to other industry participants.

For the year ended December 31, 2023, GCC consolidated net sales totaled US$1,363.9 million, of which 69% was generated by its U.S. operations and 31% by its Mexican operations. The Company's total assets stood at US$2,813.1 million. Net income for the full year totaled US$295.5 million.

As of December 31, 2023, GCC had 3,287 employees, including executives, sales and administrative personnel, as well as technical and operational personnel. As of March 31, 2024, GCC had 3,275 employees.

GCC Business Strategy

GCC's mission is to be the supplier of choice in cement, concrete and innovative solutions, with the 2025 vision focused on being recognized as the best cement company in North America with the proper balance between people, profit, and the planet.

GCC's objective is to continue strengthening its leadership in the markets in which it operates by enhancing its value proposition to its customers, sustainably growing its business, investing in its people, and ultimately maximizing stakeholder value by implementing its business strategy. This strategy is focused on increasing revenue and margins growth by leveraging GCC's existing geographic footprint, its vertically integrated operations, its customer service, its product offering, and the people who make the implementation of this strategy possible. The main components of the business strategy include the following:

1. People

Promote and strengthen health and safety

The health and safety of employees are a core value for GCC, with the objective of ensuring that all its employees return home safely to their families. Therefore, it actively promotes health programs and provides various benefits aimed at improving the physical and mental well-being of its employees.

GCC strives to achieve key health and safety performance indicators. Therefore, it has implemented prevention systems to support healthy and safe work environments in all of its operations and seeks to be highly ranked by the Global Cement and Concrete Association in terms of safety performance.

In 2022, GCC began a project to review and update the Company's safety strategy. The first stage included a detailed diagnosis by a globally recognized independent consultant renowned for his commitment to long-term safety preservation. After receiving feedback from several groups of collaborators, throughout the year 2023, training sessions on the prevention of serious injuries and fatalities were conducted. Additionally, safety governance was established, and a field verification system of critical control was implemented, along with a system documentation tool. With these advancements, GCC progresses in deploying actions aimed at risk prevention and mitigation.

Develop human capital and invest in the local community

To attract and retain the best qualified people available in the market, GCC strives to be recognized as a great place to work. In this regard, talent development is pursued through training, promotion and mobility of its employees throughout the Company.

The GCC People model seeks to align and drive the whole organization's efforts to create a culture focused on people, innovation, and accountability. As part of the model, GCC implemented the SAP SuccessFactors Human Resources System, which standardizes processes and transforms the area's function throughout the organization. GCC gives its employees the best tools to deliver better results by offering them formal training through the GCC University online platform.

GCC values diversity, equity and inclusion and has a committee that promotes labor inclusion by guaranteeing respectful treatment to all employees, as well as equal opportunities for hiring, personal development, and professional and social growth, regardless of race, gender, sexual orientation, physical abilities, religion, ideology or age. Furthermore, GCC supports the UN Global Compact and adopted the Women Empowerment Principles (WEPs) to evaluate and implement actions that promote gender equality in the workplace, marketplace and community by 2030.

In recognition of these efforts, since 2019, GCC U.S. Division has been certified as “Great Place to Work” by the Great Place to Work Institute. In 2023, GCC Mexico Division was recognized as one of the 100 best companies to work for in Mexico and was awarded the “Great Place to Work” certification for the ninth consecutive year, occupying the 43rd position in the “Large Companies” category of Mexico’s rankings. GCC was also recognized as the tenth best place to work in Mexico in the manufacturing and production multi-sector ranking, and in the regional category of the Northwest Region.

GCC seeks to ensure employee development in technical competencies. Therefore, it has implemented the GCC Technical Training Institute in association with “The Cement Institute”, which consists of assessments for employees in all operational positions to identify training opportunities and certifications that are tailored to operational requirements. Based on the evaluation results, specific training plans are created, customized to the business unit and its personnel. This is intended to standardize competencies and training processes across all cement plants. Additionally, the "Engineer in Training" program was implemented, which was designed to develop and strategically position participants, aiming to align their professional careers with the trajectory of the cement industry and fill key roles within the organization.

In 2024, GCC launched a two-year leadership program tailored to develop future generations of the Company’s leaders. A collaboration was established with ICAMI (*Centro Mexicano para la Formación Integral y Desarrollo Directivo*), to ensure a comprehensive approach covering strategic, operational, and tactical training.

Regarding variable compensation and employee benefits, in 2019 GCC implemented a Long-Term Incentive Plan, which is focused with the Company’s long-term success and value creation. The purpose of this plan is to align executive performance with GCC’s strategic objectives by granting restricted stock with a five-year vesting period that supports executive wealth growth and the share value, while promoting long-term employee retention.

Likewise, GCC seeks for continuous growth in the local community through the development of sustainable projects and specific projects supported by the GCC Foundation focused on one or more of its three pillars: education, sustainable development, and vulnerable groups. To achieve these objectives, the Company encourages the creation of groups of collaborators who focus on local community work, addressing specific causes or needs of the community.

2. Profit

Continue to enhance profitability through cost efficiency and a customer-focused go to market strategy

GCC intends to maintain and improve its profitability by increasing its cost efficiency and tailoring its customer-focused go to market strategy to each of the markets in which it operates. Because GCC is partially vertically integrated, it can obtain the materials needed for its operations, including fuel from its coal mine in Colorado. In addition, the distribution network that connects its cement plants with distribution terminals allows GCC to deliver its products efficiently and at lower costs..

GCC seeks to optimize margins in the markets in which it operates considering competitive conditions to maximize profitability. By providing integrated and innovative solutions, ensuring timely delivery of its products, and building and maintaining strong relationships with its customers, GCC believes it will be able to achieve optimal margins for its products that will ultimately drive long-term profitable growth in the markets in which it operates.

Continue strengthening and expanding its operations and geographic footprint

GCC intends to continue developing and expanding in the markets where it operates through (i) inorganic growth, by acquiring and integrating new businesses, and (ii) organic growth, by increasing the installed capacity, maintaining and expanding its profitable operations.

The Company regularly evaluates the possibility of acquiring existing cement plants, as the top priority in its growth strategy, and other complementary assets that can be integrated into GCC's production and distribution network and extract synergies. GCC considers other growth opportunities, including aggregates and ready-mix concrete opportunities near its operations that could be vertically integrated, as well as standalone aggregates opportunities.

The Company has years of experience in acquisitions, and it always ensures the integration and extraction of synergies that enhance the Company's profitability in any given transaction.

As part of the strategy, in 2018, GCC completed an exchange of non-integrated ready-mix operations and transportation assets in Oklahoma and Arkansas for the Trident cement plant in Three Forks, Montana. It also expanded its Rapid City cement plant in South Dakota by 440,000 metric tons, increasing its capacity to 1.1 million metric tons per year. These significant increases in the Company's installed capacity are evidence of GCC's ability to achieve sustainable growth while extracting every potential synergy. As a result, GCC has a stronger market position in this territory, provides better customer service, and generates higher margins.

In addition, in 2020 GCC exchanged the last 4 remaining non-integrated ready-mix plants in the Fort Smith, Arkansas, area for five ready-mix plants in the upper Midwest, which integrated into GCC's cement supply from the Rapid City, South Dakota cement plant. The asset swap creates additional synergies given that all GCC's ready-mix assets are now integrated into its cement distribution network. Likewise, in 2023 an expansion project was completed at the Samalayuca plant in Mexico which supplies an additional 200,000 metric tons of cement for both the Ciudad Juarez and export markets.

Using its logistics network, GCC meets additional demand for construction and oil-well cement in the West Texas markets through production at the Odessa, Texas cement plant and exports from the plants in Mexico: Samalayuca and Chihuahua, and shipments from the plants in Tijeras, New Mexico, and Pueblo, Colorado. In addition, a kiln at the Chihuahua plant was upgraded and a cement distribution terminal was installed in Fort Stockton, Texas, to complement the oil-well cement shipments to this region. As a result, GCC has an enhanced its market position in this territory, with higher margins and by taking advantage of assets that provide cost, process, and logistical efficiencies. In 2022, the expansion of the cement plant in Odessa, Texas began, a project that will increase the annual cement production capacity by over one million metric tons and lower the plant's GHG intensity by 13%. In 2023, the construction of the new rail distribution terminal north of Minneapolis was completed, which reinforces GCC's position in the Minneapolis-Saint Paul area and ensures a distribution route for the expanded capacity of the Rapid City plant.

The successful integration, not only of production and distribution but also of human resources and systems, clearly demonstrates GCC's execution capabilities and strategic approach. GCC is building a strongly integrated business in contiguous U.S. mid-continent markets, stretching from northern Mexico to Canada. Holding a leadership position in its core markets, GCC benefits from competitive advantages across the geographic footprint, with presence in states characterized by diversified, low-unemployment regional economies and protection from seaborne imports. As of today, GCC's production and logistics distribution model and experience can be replicated in other regions where GCC currently does not operate. This positioning offers a clear upside for capturing growth and the construction industry recovery. In addition, its vertical integration allows GCC to manage costs at every stage of production, marketing, and distribution of its products.

Continue to provide outstanding technical and logistical support services to its customers

GCC aims to continue strengthening the quality of its customer service by offering integrated and innovative solutions, including specialized technical support, product solutions for specific projects, and customized logistics according to the needs of its clients. In the United States, GCC aims to continue to enhance its network of plants and distribution terminals, which allows the Company to be close to its customers and ensure product availability. In Mexico, GCC develops strategic alliances through the Construred retailer network that serves customers in the self-construction segment and contractors in various segments.

Broaden product and service offerings through innovative solutions with higher margins

GCC aims to broaden its range of product and service offerings by focusing on the development of new, value-added products and technology solutions. The Company is also focused on increasing its integrated offerings and solutions, developing specialty cement products, mainly fast setting that travel throughout North America and are used in a wide variety of applications, as well as increasing its prefabricated products portfolio, which offers opportunities for profitable sustainable growth. Specialty products are a strategic part of GCC's product portfolio because they enhance its role in construction and mining projects, reduce the seasonality associated with its cement business, and generally have higher profit margins, as well as having lower carbon footprint products.

GCC drives and manages innovation within the organization through its high-performance and continuous improvement programs, facilitated by the research and development department.

3. Planet

Foster sustainable development and reduce emission impact

GCC is committed to environmental sustainability at all stages of its operations. Under increasingly strict environmental regulations in the United States and Mexico, GCC continuously invests in maintaining its state-of-the-art production facilities, in compliance with the federal, state and municipal requirements, including the National Emission Standards for Hazardous Air Pollutants (NESHAP) and the Clean Air Act in the United States, as well as Mexican environmental laws and regulations promoted by SEMARNAT.

GCC is committed to the principles of the Global Cement and Concrete Association (GCCA), of which it has been a member since October 2018. Additionally, the GCCA created a strategic partnership with the World Business Council for Sustainable Development (WBCSD) to create synergies between their work programs, benefiting the GCCA and WBCSD, as well as their respective member companies. In alignment with the GCCA, GCC employs a sustainable management model, that consists of continuous monitoring and evaluation of activities (from an environmental, energy and social perspective), to minimize the impacts on the environment, climate change and the communities where GCC operates. In addition, in January 2020, GCC joined the SBTi, thereby committing to set ambitious targets to reduce GHGs, in line with climate science and the Paris Agreement. Reinforcing its commitment, in January 2022, the Company issued a sustainability linked bond (SLB) leveraging a core, relevant and material sustainability performance target of CO2 emissions intensity reduction by 30.7% from the 2015 baseline by the end of 2030. This reduction is calculated as specific gross kilograms of CO2 emissions emitted per ton of cementitious material (scope 1). This target was validated by the SBTi in January 2023. To achieve it, GCC is committed to reducing GHGs through energy optimization, increasing the use of renewable sources, reducing its consumption of traditional fuels, as well as producing blended cements which have a lower clinker factor.

Additionally, GCC seeks to reduce specific scope 2 emissions by 57% per ton of cementitious material by 2030, compared to 2015 by increasing the use of renewable energy sources, and commits to reduce absolute scope 3 GHGs emissions from the use of fossil fuels sold by 37.5% in the same period. Both targets were validated by the SBTi in January 2023. This reflects the Company's commitment to keep the global temperature increase well below 2 degrees Celsius based on the Paris agreement.

Within the efforts to reduce CO2 generation, GCC is also focused on the development and use of alternative fuel sources to reduce the use of fossil fuels, positively impacting the Company's carbon footprint. Among the most noteworthy efforts is the successful implementation of the Energy Efficient Organic Waste Fraction (FROEE) project at the Chihuahua and Samalayuca cement plants, which consists of the co-processing of industrial waste and further uses it as an alternative fuel. In 2023, GCC achieved a substitution rate of approximately 38.2% of fossil fuels at the Juarez plant, 24.3% at the Pueblo, Colorado plant, 10.2% at the Samalayuca plant, 3.1% at the Chihuahua plant and 1.7% at Rapid City, South Dakota plant. Likewise, the Company is continuously analyzing different options to increase the use of alternative fuels in the rest of its operations.

In 2023, GCC's Pueblo and Rapid City cement plants achieved, for the sixth and fourth consecutive year, respectively, the ENERGY STAR certification for superior performance with lower electricity consumption from the EPA. ENERGY STAR certified plants must perform in the top 25% most efficient of similar facilities across the nation. By meeting ENERGY STAR's strict standards, both cement plants are conserving energy, reducing costs and helping protect the environment.

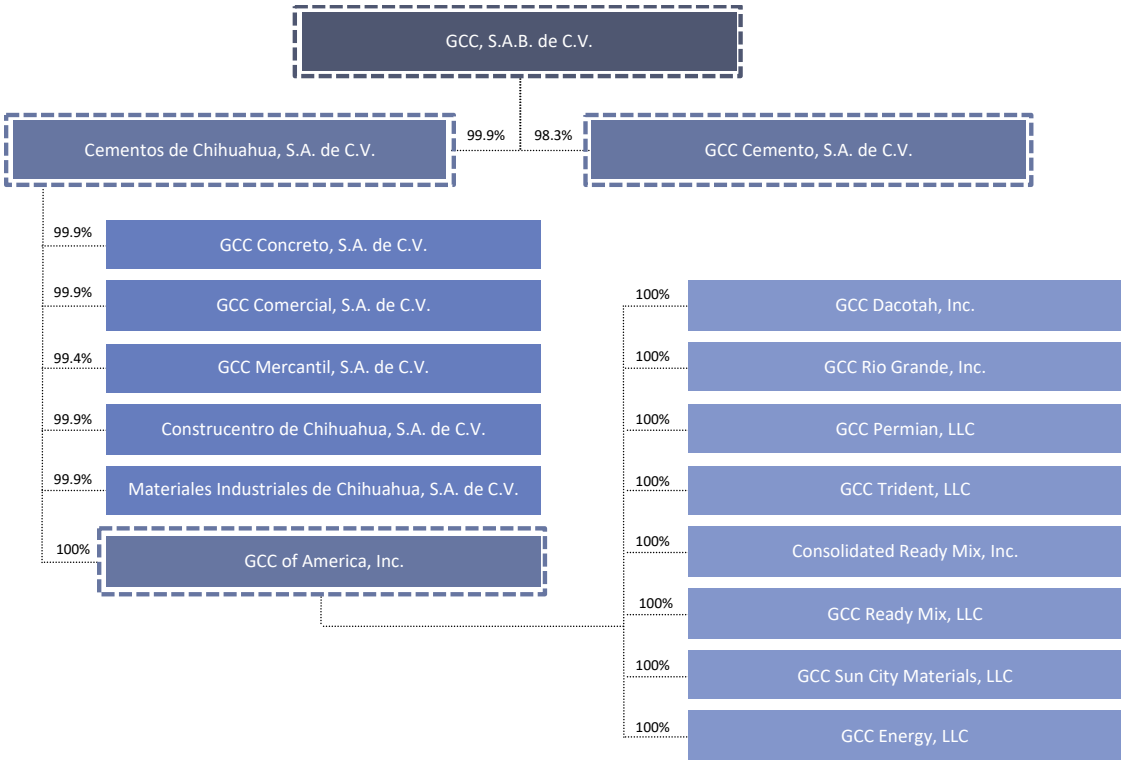
In 2019, GCC signed a long-term agreement with a renewable energy supplier, covering all the electricity consumed in the operations of the Odessa, Texas plant starting in 2023. In May 2020, GCC signed a long-term agreement with a wind power provider to supply the Rapid City, South Dakota plant, thereby covering approximately 50% of the electricity consumed at the plant. These agreements will result in a reduction of approximately 116,000 metric tons in CO2, annually, based on the EPA's estimate. In addition, approximately 87% of the electricity consumed at the plant in Trident, Montana, comes from a hydroelectric plant. During 2023, 19% of the electricity consumed by GCC's operations came from renewable energy sources.

GCC has been working and will invest in feasibility studies for the adoption of carbon capture technology and have made important initial steps to date. We have developed internal targets to ensure we're close to technology developers, working with them to identify the right technology for each plant's operations. These steps are part of our broad-based sustainability strategy and entail a long-term process. In 2023, a pre-FEED study was conducted to implement the technology at the Odessa, Texas plant.

Corporate structure

GCC is a holding company that operates through several subsidiaries, with a team that provides administration, human resources, finance, information technology services, planning, engineering, technology management, health and safety, innovation and sustainability, and research and development.

The following chart depicts the organizational structure of GCC's main subsidiaries and GCC's ownership interest in those subsidiaries as of the date of this report. The chart has been simplified to show the most important subsidiaries.



Select Financial Information

The Company's main figures are shown below:

Selected financial information for the years 2023, 2022 and 2021
(million dollars)

Figures from the income statement	2023	2022	2021
Net sales	1,363,917	1,168,319	1,038,804
Mexico sales	425,595	327,720	288,433
USA sales	938,322	840,599	750,371
Operating income Before other expenses, net	382,307	268,344	241,084
EBITDA (Operating income before Other expenses + Depreciation and Amortization)	471,536	361,591	337,678
Net financing expenses	25,329	(18,267)	(27,836)
Income before taxes	404,297	202,739	206,731
Income taxes	108,832	62,478	54,877
Consolidated net income	295,465	140,261	151,854

Figures from the statement of financial condition	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	2,813,093	2,454,174	2,236,190
Cash and cash equivalents	958,725	826,227	682,962
Property, machinery and equipment	1,147,881	1,002,294	934,110
Total liabilities	1,048,842	1,030,362	925,208
Current portion of long-term financial debt	-	-	176,000
Long-term financial debt	496,986	496,684	363,383
Total equity	1,764,251	1,423,812	1,310,982

Performance of GCC shares listed on the BMV

As of April 30, 2024, the total number of shares representing the fixed portion of GCC's capital stock is 337,400,000, of which 9,806,822 shares are held in GCC's treasury, leaving a total of 327,593,178 shares outstanding. Of these outstanding shares, 155,934,590 are available in the market and the remaining 171,658,588 shares are owned by CAMCEM. The performance of these shares on the Mexican Stock Exchange is summarized below, in nominal pesos.

GCC's share price at the end of the last five fiscal years
(prices in Mexican pesos)

Period	Closing price	Trading volume	Maximum price	Minimum price
2019	100.86	103,292,211	113.65	93.12
2020	120.02	139,909,265	122.30	60.30
2021	158.45	99,620,157	170.00	116.30
2022	130.40	76,338,238	159.41	112.08
2023	200.08	106,686,725	208.54	127.05

GCC's share price at the quarterly close of the last two fiscal years
(prices in Mexican pesos)

Period	Closing price	Trading volume	Maximum price	Minimum price
I – 2022	143.41	23,473,769	159.41	128.02
II – 2022	125.71	18,461,639	146.22	116.84
III – 2022	120.70	15,090,387	131.20	112.08
IV – 2022	130.40	19,312,443	142.99	115.01
I – 2023	142.85	26,055,518	158.88	127.05
II – 2023	146.66	27,614,242	157.31	134.01
III – 2023	163.93	29,144,634	170.00	142.01
IV – 2023	200.08	23,872,331	208.54	147.08

GCC´s share price at the end of each month for the six months before the filing of this report
(prices in Mexican pesos)

Period	Closing price	Trading volume	Maximum price	Minimum price
October 2023	160.53	7,129,220	168.99	147.08
November 2023	170.07	8,034,825	186.36	157.86
December 2023	200.08	8,708,286	208.54	168.33
January 2024	198.77	5,438,428	204.57	180.57
February 2024	179.96	5,738,198	206.98	176.29
March 2024	197.61	5,098,675	202.00	176.45

1.c) Risk Factors

Investors should carefully consider the risks and uncertainties described below. The following risk factors are not the only risks the Company faces and any of the risk factors described below could materially and adversely affect GCC´s business, results of operations or financial condition. The importance given to the following risk factors may change in the future, and other factors not disclosed below may have an impact on the Company in the future. In such cases, the price or liquidity of GCC's shares could decrease and investors could lose some or all of their investment.

1.c.i) Risk factors related to the countries in which GCC operates

Pandemics, such as the one caused by COVID-19, may have a material negative impact on the Company's business, revenues, expenses, and overall results of operations, and financial condition.

The pandemics, as well as measures taken by governments to contain their spread, could have unfavorable impacts on the global economy, including on-demand, operations, market conditions, health and safety, regulations, supply chains and financial markets, as well as an impact on several factors, which GCC expects will have a material adverse effect on its sales, operations, and results of operations:

- gross domestic product in countries where GCC operates or conducts sales, including the United States, Canada, and Mexico;
- employment and demand (including demand in the construction and housing industries); and
- liquidity of financial institutions.

According to the latest World Economic Outlook of the IMF, published in October 2023 and updated in January 2024, global growth was projected to pick up 3.1% for 2023 and 2024. The magnitude and persistence of the adverse economic shock depend on several uncertain factors, such as (i) the duration of the pandemic and required restrictions to contain the virus; (ii) voluntary or mandatory social distancing, which affects spending; (iii) the definitive closing of companies, which will not restart operations; (iv) displaced employees' ability to secure employment in other sectors; (v) the potential damage to supply due to firm closures and unemployed workers exiting the workforce; (vi) the impact on business costs in connection with the required changes to strengthen workplace safety; (vii) the effects on productivity of global supply chain reconfigurations; (viii) the extent of cross-border spillovers from weaker external demand; and (ix) funding shortfalls and the resolution in connection with the current disconnection between asset valuations and prospects for economic activity.

Furthermore, downside risks from pandemics are significant, as they may trigger generalized restrictions or may result in reduced effectiveness of vaccines. Further declines in economic activity as a result of closures, general hesitation by companies to hire jobseekers, and unemployed workers leaving the labor force entirely could lead to scarring of the economy. Financial conditions may tighten, as occurred with COVID-19, and expose vulnerabilities among borrowers, which could tip some economies into debt crises and cause a further slowdown of economic activity. More generally, cross-border spillovers from weaker external demand and tighter financial conditions could magnify the impact of a country or region-specific shock on global growth. Moreover, a sizable policy response following a decrease in economic activity may be prematurely withdrawn or improperly targeted due to design and implementation challenges, leading to misallocation and the dissolution of productive economic relationships.

Pandemics may have a material negative impact on the Company's business, revenues, expenses, credit costs, and overall results of operations, and financial condition. Moreover, its spread and the resulting regulatory measures implemented by the Mexican government may cause us to modify its business activities, including implementing remote work capabilities.

Demand for its products is correlated with construction activity. These factors could further negatively impact economic activity and its customers and cause a continued decline in its revenues and the demand for its products and services. Moreover, any disruption or failure of its performance in key business functions, could adversely affect its operations.

Furthermore, it is unclear how the macroeconomic business environment or social norms may be impacted by the pandemics. The post-COVID-19 environment presented unexpected developments or changes in financial markets, the fiscal, tax, and regulatory environments, and client behavior. These developments and changes had and may have an adverse impact on the results of operations, and financial condition. Ongoing business and regulatory uncertainties and changes may make its longer-term business, balance sheet, and budget planning more difficult or costly. To the extent that GCC is not able to adapt to the new business environment, GCC could experience a loss of business and its results of operations, and financial condition could materially suffer.

The extent to which a pandemic may impact its operations, liquidity, financial condition, and results of operations will depend on future developments, including, but not limited to, the duration and spread of such pandemic, its severity, the actions to contain the disease or treat its impact, and the duration, timing, and severity of the impact on financial markets and the financial condition of its clients and the availability of a vaccine, all of which are highly uncertain and cannot be predicted. The Company may also take further actions that alter its business operations, as may be required by federal, state, or local authorities, or that GCC determines are in the best interests of its employees, suppliers, and clients.

Macroeconomic conditions and their impact on the United States and Mexican economies may adversely affect GCC's business, results of operations, and financial condition.

Consumption of GCC's main products, cement, and ready-mix concrete, as well as other construction materials, is highly dependent on construction expenditures and the construction industry as a whole, which are closely linked to general macroeconomic conditions. The Company's business is closely tied to general economic conditions in the United States and Mexico, with 69% and 31% of its net sales generated in each country, respectively, for the year ended December 31, 2023, and 72% and 28% of its net sales generated in each country, respectively, for the year ended December 31, 2022. Accordingly, an economic downturn in either country could have a material adverse effect on GCC's business, financial condition, and results of operations.

According to the most recently available IMF World Economic Outlook published in October 2023 and updated in January 2024, the United States real gross domestic product ("GDP") increased 2.5%, 2.0% and 5.6% in 2023, 2022 and 2021, respectively. Mexico's GDP increased 3.4%, 3.1% and 5.3% in 2023, 2022 and 2021, respectively. The variations are compared, in each case, with the result of the prior year.

Beginning in March 2022, the U.S. Federal Reserve has implemented eleven consecutive interest rate hikes, recording in July 2023 the highest level since late 2007. These increases in interest rates could further strengthen the U.S. dollar against other currencies, which could undermine U.S. exports and economic growth. However, after the December 2023 meeting, the Federal Open Market Committee (FOMC) predicted making three quarter-point cuts by the end of 2024 to lower the federal funds rate to 4.6%. A slowdown in economic growth could cause construction spending to fall in the public, residential and non-residential sectors, which would adversely impact consumption of GCC's products.

During 2023 and 2022, the Mexican peso appreciated by approximately 12.7% and 5.9%, respectively. However, volatility in global markets has exacerbated the depreciation of the Mexican peso against the U.S. dollar during 2021, as the Mexican peso depreciated by approximately 3.2%. Exchange rate depreciation and/or volatility in the markets could adversely affect the Company's results of operations, and financial condition.

Moreover, the Mexican economy is highly correlated to the performance of the U.S. economy. The extent of economic growth in the United States and the participation of Mexico's industrial sector in such growth may negatively affect economic growth in Mexico. Negative economic conditions in the United States have a greater impact on the state of Chihuahua than other Mexican states and regions due to its proximity to the United States. Therefore, any downturn in the economic outlook in the United States may decrease the consumption of the Company's products in both the United States and Mexico.

On September 30, 2018, United States, Mexico and Canada agreed to the new terms and conditions of the USMCA and on November 30, 2018, the agreement was signed by the presidents of the aforementioned countries. Unlike NAFTA, the proposed new trade agreement includes a sunset clause that requires the agreement to be renewed and renegotiated every sixteen years, as well as rules to deter currency manipulation to obtain trade advantages, and additional intellectual property protections, among other provisions. The USMCA became effective in July 2020. Given the close trade relations between Mexico and the United States, an economic downturn in the United States or other related events could have a significant adverse effect on the Mexican economy, which, in turn, could affect the Company's business, results of operations, and financial condition, considering that the GCC's operations are in the U.S. and Mexico. In the past, some of the cement exports from Mexico to the United States were subject to an anti-dumping order imposed by the U.S. Department of Commerce, increasing the Company's costs and expenses.

Standard & Poor's Financial Services LLP and Fitch Ratings Inc. have affirmed Mexico's sovereign debt rating to BBB and BBB-, respectively, while Moody's Investor Service, Inc. downgraded the rating to Baa2 in 2022, which could adversely impact GCC's rating and the likelihood of accessing the financial markets and obtaining financing in the future or doing so at competitive rates.

The Company's business, results of operations, and financial condition can be significantly and adversely affected by the foregoing factors. GCC cannot assure that general macroeconomic conditions or conditions in the cement and ready-mix concrete markets in the United States or Mexico will improve or will not deteriorate, nor can they give any assurances regarding the timing of any such changes. A downturn in macroeconomic conditions that results in a decline in construction expenditures could cause demand for cement and ready-mix concrete to decrease in light of decreased consumer demand or the use of lower-cost substitutes by consumers. In addition, a slowdown of U.S. economic growth could adversely affect U.S. demand for products imported from Mexico, in particular the cement that the Company sends from its Mexican operations for its U.S. operations.

GCC is vulnerable to the slowdown, distortions, and volatility prevailing in global financial markets.

Developments in the U.S. and international monetary policies, including those in Mexico, could negatively impact the Mexican economy and GCC's business, results of operations, and financial condition. For example, international oil prices' volatility, rating agencies revisions that resulted in downgrading Mexico's sovereign debt ratings, capital outflows as a result of unexpected policy measures, a decline in oil drilling in Mexico, future slowdown in U.S. manufacturing, U.S. administration policies on trade and immigration, as well as volatility in global financial markets, could have a significant negative effect on the Mexican and U.S. economies and their growth prospects, which could negatively impact GCC by significantly reducing demand for the oil-well cement it sells to new well sites.

Disruptions in the credit markets may materially and negatively impact GCC's business, results of operations, and financial condition, and may affect a portion of its customers.

In the past, constraints in the credit markets have heightened several material risks to the Company's business, results of operations, and financial condition. Weakness in, and uncertainty about, global economic conditions, in particular the economic conditions in the United States, could cause businesses to postpone spending or investing in response to tighter credit, negative financial news or declines in income or asset values, which could have a material adverse effect on the demand for goods and international trade which, in turn, could adversely affect the demand for GCC's products. In addition, any deterioration in the U.S.-China relationship or escalation of the Russia-Ukraine conflict, including any additional sanctions, export restrictions or other restraints that may be imposed by the United States or any other country against the Russian government or entities with operations based in Russia, could have disruptive effects and cause instability and volatility in global financial markets and, consequently, adversely affect GCC's business or its ability to access the financial markets. In addition, the existence and non-interruption of the conflict could result in shortages of raw materials or price increases, which could adversely affect GCC's operations and results of operations.

Many of GCC's customers are reliant on liquidity from global credit markets and, in some cases, require external financing to fund a portion of their operations. There can be delays or cancellations to construction projects if its customers are unable to obtain financing for such projects or if consumer confidence is eroded by economic uncertainty, which could adversely affect the demand for the Company's products. Limitations on the ability to access credit could also lead to insolvencies of key customers. Finally, if the Company's customers lack liquidity, they may not be able to pay amounts due to GCC, which could negatively impact GCC's business, results of operations, and financial condition.

Negative economic conditions and global markets' volatility, resulting mainly from inflation, fluctuations in raw materials prices, geopolitical conflicts, the economic slowdown in some of the developed and emerging markets, and uncertainty about interest rates in the United States, have resulted in high volatility in domestic and international markets.

As a result, the Mexican peso has presented significant fluctuations in recent years. At the end of December 2021, the Mexican peso depreciated 3.2% to Ps. 20.58 per dollar. However, at the end of December 2022, the peso appreciated 5.9% to Ps. 19.36 per dollar. By the end of December 2023, the peso appreciated to Ps. 16.89 per dollar, gaining strength and resulting in an annual appreciation of 12.7%. As of March 31, 2024, the exchange rate was Ps. 16.68 per dollar, a 7.9% appreciation compared to the prior year period.

Uncertainty and volatility in the global markets affect the Mexican peso. The Mexican government has implemented occasional measures from time to time to limit the volatility of the peso, including dollar auctions in the foreign exchange market and hedge regulations for obligations of Mexican banks on foreign currencies. However, GCC cannot assure that such measures will be implemented if, and when, new episodes of volatility materialize or whether they will be effective or sustained, or how such measures would impact the Mexican economy.

A severe peso devaluation or depreciation could hurt GCC, for example, by increasing the peso equivalence of obligations denominated in foreign currency. In addition, any severe devaluation could impact negatively GCC's business and results of operations.

A severe peso devaluation or depreciation could also result in government intervention, as has occurred in other countries, or disruptions in international currency markets. Currently, the Mexican government does not, and has not for several decades, imposed restrictions on Mexicans' or foreigners' ability or rights to exchange pesos for dollars, or to transfer other currencies abroad; however, such measures have been enforced in the past and could be implemented in the future. Consequently, the peso fluctuation against the U.S. dollar could have a material adverse effect on GCC.

Fluctuations in the exchange rate between the Mexican peso and the U.S. dollar, especially the depreciation of the Mexican peso, may adversely impact the U.S. dollar equivalent value of GCC shares denominated in Mexican pesos on the Mexican Stock Exchange. Such depreciation could also affect GCC's dollar-denominated revenues and earnings, and the dollar equivalent of any dividends or other peso-denominated payments made by the Company.

Economic, social and political developments in Mexico could affect Mexican economic policy and adversely affect the Company's business, results of operations, and financial condition.

GCC is a publicly listed variable capital stock corporation organized under the laws of Mexico and a portion of its operations, and assets are located in Mexico. As a result, the Company's business, results of operations, and financial condition could be affected by the general condition of the Mexican economy, the devaluation or depreciation of the Mexican peso as compared to the U.S. dollar, price instability, inflation, interest rates, laws, rules and regulation, taxation, social instability (including matters related to public safety) and other political, social and economic developments in or affecting Mexico over which GCC has no control.

Mexico has and is expected to continue to have high real and nominal interest rates. The annualized interest rates on 28-day Treasury Certificates (Certificados de la Tesorería de la Federación, or "CETES"), averaged approximately 11.1%, 7.7% and 4.4% for 2023, 2022 and 2021, respectively. Accordingly, if GCC incurs debt denominated in Mexican pesos in the future, it could be at high-interest rates. Mexico has also experienced periods of very high levels of inflation. Inflation has led to high-interest rates, devaluations of the Mexican peso and, during the 1980s, substantial government controls over exchange rates and prices. A return to higher levels of inflation could adversely affect the Company's business, results of operations, and financial condition.

The Mexican government has exercised and continues to exercise, significant influence over the Mexican economy. Mexican governmental actions concerning the economy and state-owned enterprises could have a significant effect on Mexican private sector entities in general, and on GCC in particular, as well as on market conditions, prices, and returns on Mexican securities, including the Company's securities. The Mexican government could implement significant changes in laws, policies, and regulations, which could affect the economic, social, and political situation in Mexico. On July 1, 2018, federal, state, and municipal elections were held in Mexico, in which Andrés Manuel López Obrador of the National Regeneration Movement Party was elected. On December 1, 2018, Mr. Andrés Manuel López Obrador was sworn in as the new president of Mexico. Since December 1, 2018, significant changes have been initiated in public policies, which have affected the political and economic situation in Mexico.

Since taking office, the position of President López Obrador's government regarding macroeconomic policy has been mostly in favor of stability, with an explicit emphasis on the importance of the Bank of Mexico's autonomy and maintaining balanced public finances, as shown by the stable performance of the public debt/GDP ratio. While some measures in certain sectors, such as energy and infrastructure, have generated uncertainty and resulted in private investment and weaker economic growth, the evolution of financial markets has been favorable.

Management of fiscal policy by the current administration has been characterized by prudent management of public expenditure and debt. This has contributed to the stability of financial markets. Nevertheless, there is no way to guarantee that the fiscal policy will remain prudent in the future, which could result in financial market instability.

There is no assurance that future political or economic developments in Mexico, over which the Company has no control, will not harm the Company's financial position or the results of operations. In particular, the current government could implement significant changes in laws, public policies, or other regulations which could affect the political and economic situation in Mexico, or take actions involving the Company's assets, which could harm GCC.

GCC´s performance historically has been tied to Mexican public-sector spending on infrastructure facilities and Mexican public-sector spending is, in turn, generally dependent on the political situation in Mexico. More specifically, the Mexican government has recently faced pressure to decrease spending in light of the decline in oil prices, given its reliance on oil exports for a significant portion of its revenues. The Company cannot assure that changes in Mexican government policies will not adversely affect its business, financial condition, and results of operations. In particular, the tax legislation in Mexico is subject to constant change and there can be no assurance as to whether the Mexican government may make changes to taxes or any of its existing political, social, economic or other policies, whose changes may have a material adverse effect on the Mexican economy and the Company's business, results of operations, financial condition or prospects or adversely affect its stock price. Furthermore, GCC cannot provide any assurance that future political developments in Mexico, over which the Company has no control, will not have an unfavorable impact on its financial position or results of operations and impair its ability to make distributions to its stockholders. Any of these events, or other unanticipated economic or political developments in Mexico, could have a material adverse effect on the Company's business, results of operations, and financial condition. Finally, demand for GCC's cement products in Mexico depends, in large part, on residential construction in the northern region of Mexico, which consists mostly of families gradually building or improving their own homes. In 2023, sales through its distribution network (mainly auto construction), represented approximately 28% of GCC's cement sales, while public infrastructure and residential housing construction represented approximately 5% and 8%, respectively. Residential construction is highly correlated to prevailing economic conditions. In recent years, the state of Chihuahua has experienced a relative decline in violence, which has resulted in improved economic conditions and increased construction, particularly in the residential segment. Before the COVID-19 pandemic, the construction industry

performed well in the state of Chihuahua, as compared to the rest of the country which was affected by a slowdown. However, the Company cannot predict whether this recovery will be sustainable, and a deterioration in economic conditions in the northern region of Mexico would have a material adverse effect on its business, the results of its operations, and financial condition.

The Company's business, results of operations, and financial condition are subject to political, economic and reputational risks for conducting business in corrupt environments.

A portion of GCC's business is conducted in Mexico, which has elevated levels of corruption compared to the United States. According to Transparency International's 2023 Corruption Perceptions Index (CPI), Mexico ranked 126th out of 180 countries evaluated, while the United States ranked 24th. This indicates that Mexico is perceived as significantly more corrupt than the United States. Such levels of corruption may present greater political, economic and operational risks than the United States. The Company emphasizes compliance with the law and, although it has established policies, procedures and employee training programs to promote compliance with global ethics and legal requirements such as the Mexican General Law of Anticorruption System (*Ley General del Sistema Nacional Anticorrupción*), the Mexican Federal Law of Anti-corruption in Public Contracting (*Ley Federal Anticorrupción en Contrataciones Públicas*), the Federal Law for the Prevention and Detection of Transactions with Illegal Resources (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*), the U.S. Foreign Corrupt Practices Act (the "FCPA") and the competition and anti-monopoly laws in both countries, its officers, directors, employees, agents or shareholders acting on its behalf, may not adhere to its code of ethics, other policies or rules and regulations. If the Company fails to enforce its policies and procedures, the procedures to review, identify and correct illegal transactions, or to maintain internal accounting practices to accurately record its transactions, it may be subject to criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures. The Company could incur significant costs, including potential harm to its reputation, for investigation, litigation, civil or criminal penalties, fees, settlements or judgments for potential violations of the Federal Law of Anticorruption in Public Contracting, the General Law of the National Anti-Corruption System, or the FCPA or other laws or regulations, which in turn could have a material adverse effect on its business, the results of operations, and financial condition.

To prevent violations of the aforementioned provisions, GCC has taken actions aimed at training, including the approval of strict application manuals, supervision and taking measures against any acts contrary to the law. GCC cannot guarantee that such actions or the resources allocated to them will be sufficient to prevent liability on its part, if it is found that illegal activities have been carried out.

The Company's business, results of operations, and financial condition may be adversely affected by government contracting risks.

As a result of GCC's supply of cement and ready-mix concrete for use in public infrastructure projects, the Company is subject to various laws and regulations applicable to parties doing business with the U.S. or the Mexican governments, including the FCPA in the United States, and other such laws and regulations governing performance of U.S. or Mexican government contracts, the use and treatment of U.S. or Mexican government furnished property and the nature of materials used in its products. The company may be unilaterally suspended or barred from conducting business with the U.S. or Mexican government or become subject to fines or other sanctions if it is found to have violated these laws or regulations. As a result of the need to comply with these laws and regulations, GCC is subject to governmental investigations as well as possible civil fraud legal actions and fines, among others.

Violence in Mexico, including violence associated with Mexican drug cartels, has had and could continue to harm the Mexican economy, which could adversely affect the Company's business, results of operations, and financial condition.

Over the past few years, Mexico has experienced prolonged periods of criminal violence, primarily due to the activities of drug cartels. Despite efforts by the Mexican government to increase security measures by strengthening its military and police forces, drug-related violence and crime continue to pose a significant threat to the Mexican

economy and are a source of economic and political instability and uncertainty. Systemic criminal activity and isolated criminal acts may disrupt operations, impact the Company's ability to earn revenue and dramatically add to its cost of operations. Continued violence could result in the Mexican government taking additional measures, which may include restrictions on cross-border transport and trade. If the levels of violence in Mexico, as reported in Transparency International's Corruption Perceptions Index, over which the Company has no control, remain the same or increase they could harm the Mexican economy and GCC's business, results of operations, and financial condition.

Developments in other countries may harm the Mexican economy and on the Company's business, results of operations, financial condition, and stock price.

The Mexican economy and the market value of securities of Mexican companies may be, to a certain degree, affected by economic and market conditions in other countries, including the United States, China and other Latin American emerging market countries. Although economic conditions in other emerging market countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in any of these other countries may harm the market value of securities of Mexican issuers, including those issued by GCC. In the past, prices of both Mexican debt and equity securities dropped substantially as a result of developments in Russia, Brazil, Argentina and several Asian countries. In addition, terrorist acts in the United States and elsewhere could depress economic activity in the United States and globally, including in Mexico. This could have a material adverse effect on the Company's business, results of operations, and financial condition, which could affect the stock price.

Furthermore, Mexico, as an emerging market economy, is more exposed to unfavorable conditions in the international markets that can have a negative impact on the demand for GCC's products. In the past, the development of adverse economic conditions in other emerging market countries resulted, in general, in capital flight and, as a consequence, in a decrease in the value of foreign investments in Mexico. In addition, the high level of indebtedness in U.S. dollars by corporates in emerging markets constitutes an additional source of instability. As a result, any combination of lower consumer confidence, disrupted global capital markets and/or reduced international economic conditions could have a negative impact on the Mexican economy and consequently on the Company´s business, results of operations, and financial condition.

1.c.ii) Risks related to the Company

The Company's results of operations, and financial condition may be materially adversely affected by a devaluation or depreciation in the value of the Mexican peso.

GCC operates in the United States and Mexico, generating approximately 31% and 28% of the net sales in Mexico for the years ended on December 31, 2023, and 2022, respectively. The U.S. operations earn revenue and incur expenses primarily in U.S. dollars, while the Mexican operations earn revenue and incur expenses primarily in Mexican pesos. EBITDA for the year ended December 31, 2023, was US$471.5 million, of which 76% was generated by the U.S. operations and 24% by the Mexican operations. For the year ended December 31, 2022, EBITDA was US$361.6 million, of which 78% was generated by the U.S. operations and 22% by the Mexican operations.

Changes in the relative value of the Mexican peso, which fluctuates constantly, to the U.S. dollar affect the Company's results of operations, and financial condition reported in Mexican pesos. The export sales to the United States and coal imports from the Colorado coal mine for use in the Mexican plants are denominated in U.S. dollars. Similarly, a substantial majority of the costs of sales and other selling and administrative expenses are either denominated in or linked to the value of the U.S. dollar, including the purchases of several raw materials and the costs of the operations in the United States. As a result, when the Mexican peso depreciates against the U.S. dollar, the same level of U.S. dollar net sales or expenses in a prior period will result in higher reported net sales or expenses, in Mexican peso terms in the most recent period. Conversely, when the Mexican peso appreciates against the U.S. dollar, the same level of U.S. dollar net sales or expenses in a prior period will result in lower reported net sales or expenses in Mexican peso terms in the most recent period. Any significant devaluation of the Mexican peso also could make it more expensive to convert Mexican pesos into U.S. dollars, which are required to make payments of interest and principal on the debt, 100% of which was denominated in U.S. dollars as of December 31, 2023. In 2023 and 2022 the Mexican

peso appreciated around 12.7% and 5.9% respectively, while in 2021, the Mexican peso depreciated around 3.2% against the U.S. dollar.

The Company prepares annual consolidated financial statements in U.S. dollars. See note 4 to the annual consolidated financial statements for the year ended December 31, 2023, for a description of exchange rates used in preparing the financial statements. As of the date of this report, GCC does not hedge against fluctuations in foreign exchange rates, and the business, results of operations, and financial condition could be materially and adversely affected by such fluctuations.

Severe devaluation or depreciation of the Mexican peso could also result in government intervention or disruption of the international foreign exchange markets (including restrictions on currency conversion). While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or other specified currencies or to transfer other currencies outside of Mexico, it has done so in the past. The company cannot assure that the Mexican government will not institute a restrictive currency exchange control policy in the future. Any such restrictive foreign currency exchange control policy could prevent or restrict access to U.S. dollars or other currencies and may limit GCC's ability to transfer or convert Mexican pesos into U.S. dollars to service its U.S. dollar-denominated debt. Moreover, the Mexican peso could devalue against the U.S. dollar, which would harm the business, results of operations, and financial condition of the Company.

The Company has transactions with related parties which may result in resolutions of interest and in terms that are less favorable for the Company than if it were dealing with an unaffiliated party.

GCC has historically entered into and will continue to enter into several transactions with related parties. The Company engages in substantial repeated transactions with related parties, including with CEMEX, which owns a portion of GCC's controlling shareholder and has indirect involvement in the Company, as well as with Inmobiliaria Ruba, S.A. de C.V. ("Inmobiliaria Ruba"), Copachisa, S.A. de C.V. ("Copachisa"), Abastecedora de Fierro y Acero, S.A. de C.V. ("Abastecedora de Fierro y Acero"), CEMEX and Madata IT, S.A. de C.V. ("Madata"), each affiliated with GCC due to their shareholders' equity interests in them. Although these transactions occur in the ordinary course of business, under market conditions, and, if significant, must be submitted to GCC's Audit and Corporate Practices Committee and approved by the Board, since these transactions may create the potential for conflicts of interest.

GCC's indebtedness could adversely affect its financial condition, and its ability to capitalize on business opportunities.

As of December 31, 2023, GCC's debt totaled US$500 million, fully denominated in U.S. dollars; long-term debt accounts 100% of total debt. The Company does not have significant maturities in 2024. The Company's ability to make scheduled payments on or to refinance its debt obligations depends on its financial condition, and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control, as well as its ability to access the debt financing markets. GCC may not be able to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. If the Company is not able to generate sufficient cash flow to service its debt obligations or to refinance its debt when it becomes due, it may need to sell assets, reduce or delay capital investments, or seek other sources of capital. In recent years, the international capital and financial markets have experienced price volatility, reductions and alterations in liquidity, resulting in substantial fluctuations in stock prices in the market and significant increases in the financial margins of outstanding and to-be-issued debt. Disruptions in the financial and credit markets may adversely affect the credit rating and the market value of GCC's common stock. In addition, conditions in the capital markets may mean that traditional sources of capital, including equity capital, have not been available to the Company on reasonable terms or at all. As a result, GCC cannot guarantee that it would be able to obtain additional financing or equity capital at all or on terms that are favorable to the Company.

GCC's ability to service its debt may also be materially and adversely affected by a devaluation or depreciation in the value of the Mexican peso compared to the U.S. dollar. Approximately, 69% and 72% of GCC's net sales were generated in the United States for the years ended December 31, 2023 and 2022, respectively. To the extent the

amount of net sales generated in U.S. dollars is not sufficient to cover the cost of its indebtedness, GCC must use a portion of the cash derived from its Mexican peso net sales to cover its financing costs. Any significant devaluation or depreciation of the Mexican peso could limit the Company's ability to convert sufficient Mexican pesos into U.S. dollars to make timely principal and interest payments and therefore adversely affect its ability to service its debt. If GCC's U.S. dollar-denominated sales are insufficient to cover any capital amortization and interest payments concerning its U.S. dollar-denominated debt, GCC will be adversely affected by any devaluation of the Mexican peso against the U.S. dollar, which could harm its ability to make these payments when due. In addition, a depreciation of the Mexican peso increases the carrying amount of its U.S. dollar-denominated debt in its annual consolidated financial statements to reflect the additional Mexican pesos required to cover for such liabilities.

Moreover, the instruments governing GCC's indebtedness contain certain affirmative and negative covenants that impose significant operating and financial restrictions. These restrictions limit its ability, among other things, to:

- redeem stock or redeem subordinated debt;
- make investments and capital expenditures;
- sell assets, including capital stock of subsidiaries;
- enter into agreements that restrict dividends or other distributions from restricted subsidiaries;
- enter into transactions with affiliates, except for transactions on an arm's-length basis;
- create or assume liens;
- engage in mergers or consolidations;
- make prepayments and modifications of indebtedness; and
- enter into a sale of all or substantially all of its assets.

Although the covenants under these instruments are subject to certain limitations and exceptions, these restrictions could limit the Company's ability to seize attractive growth opportunities for its businesses, particularly if GCC is prohibited from obtaining financing, is limited in the amount it can finance or is prohibited from making investments that are necessary to take advantage of such opportunities. These restrictions may also significantly impede GCC´s ability, and the ability of its subsidiaries, to develop and implement refinancing plans concerning its debt or the debt of its subsidiaries.

GCC cannot guarantee that it will be capable of complying with all the obligations and limitations under the instruments governing its indebtedness. The failure to fulfill any such obligations and limitations could result in an event of default, which could adversely and materially affect its business, results of operations, and financial condition.

GCC's success depends on its ability to retain and attract key executives and technical employees.

GCC's success depends on its ability to retain certain key executives. In particular, its senior executives have extensive experience in the cement industry and the loss of any of these executives could harm its business, results of operations, and financial condition. The maintenance and continuity of its operations is also dependent on maintaining key technical and senior management personnel. If GCC loses key personnel, or if it is not able to attract and retain skilled employees as needed, the business, results of operations, and financial condition could suffer.

Any unauthorized use of GCC's brand names, trademarks and other intellectual property rights may materially adversely affect the business, results of operations, reputation and financial condition.

The substantial majority of GCC's net sales are derived from the sales of products that it sells under the various brands that it owns, which include "GCC", "Cemento Chihuahua", "Dacotah Cement", "GCC Cemento", "GCC Rio Grande", "Fraguamax", "Mortermix", "Mortero Chuvíscar", "Megablock" and "Construred". The Company's brand names, to

which it believes many of its customers are loyal, are therefore a key asset of its business, and its ability to obtain, maintain and protect its intellectual property rights and proprietary technology is an important component of its ability to effectively compete in its industry. GCC also holds patents in the United States and Mexico for its process to achieve particular thermal insulation properties and eco-friendly characteristics in certain of its prefabricated products. Any unauthorized use of GCC's brands, trademarks or other intellectual property rights by third parties could adversely affect the Company's business, reputation and market share. If a competitor were to infringe on GCC's trademarks, enforcing its rights would likely be costly and would divert resources that would otherwise be used to operate and develop its business, as well as distract key executives. Although GCC intends to enforce its intellectual property rights against infringement by third parties, its actions may not be adequate or sufficient to protect its brands, trademarks or other intellectual property rights, which may result in a material adverse effect on its business, results of operations, and financial condition.

Insurance coverage may be insufficient to cover certain losses, which could have a material adverse effect on GCC's business, results of operations, and financial condition.

GCC's industry generally is subject to several risks and hazards, including industrial accidents, labor disputes and changes in environmental regulations. Furthermore, there are types of losses, generally of a catastrophic nature, such as losses due to wars, earthquakes, floods, epidemics, fires, hurricanes, pollution or environmental matters that are either uninsurable or not economically insurable, or may be insured subject to limitations, such as caps, large deductibles or co-payments. Insurance risks associated with potential terrorist acts and as a result of violence in Mexico could sharply increase the premiums the Company pays for coverage against property and casualty claims. Although GCC considers its policies adequate and similar to those of its competitors, the insurance may only cover part of the losses that it might incur. The occurrence of losses or other liabilities that are not covered by the insurance, that are widespread or that exceed the insurance limits could result in significant unexpected costs that could adversely affect GCC's business, results of operations, and financial condition.

Product liability claims may be brought against GCC and, whether or not successful, could harm the Company's business, results of operations, and financial condition.

GCC is exposed to risks associated with product liability claims arising from property damage or personal injury caused by the use of its products, which are mainly used as construction materials; these types of claims have been subject to class action lawsuits, mainly in markets like the United States, which distract executives and whose defense incurs high costs. While the Company seeks to conform its products to meet a variety of contractual specifications and regulatory requirements, it cannot assure that product liability claims against it will not arise, whether due to deficient product performance, defects or other causes. GCC has product liability insurance for all of its subsidiaries. If any such claims against it were ultimately successful or were subject to a class action suit, the Company could be required to pay substantial damages, which could materially and adversely affect its business, results of operations, and financial condition.

Failures or interruptions in the information systems could harm GCC's business, results of operations, and financial condition.

GCC depends on its information technology, or IT, which includes systems to conduct its business activities, such as its sales processing, inventory purchasing and management, product distribution and customer service. Although the Company has security, built-in redundancies and backups for its IT systems, it may, from time to time, experience failures or delays due to several factors beyond its control, such as hacking, computer viruses and other cyber security attacks and electricity outages, as well as outages due to fire, floods, power loss, telecommunications failures and similar events. Between August 5 and August 7, 2019, GCC suffered a cyber-related incident, caused by a ransomware-type malware that infected both operational and administrative applications. This incident was detected and contained by its IT team, which implemented a recovery strategy for the affected services without finding any evidence that information from its servers had been leaked externally. Although GCC was able to contain this incident and mitigate its effects, an incident of an equal or greater magnitude may occur in the future. Any material failure or disruption of its IT systems could result in a disruption of GCC's operations or the loss or damage

of important operating information, which could adversely affect its business, results of operations, and financial condition.

During 2020, there was a global trend of an increase on security threats, including, but not limited to, phishing and malware/ransomware campaigns, exploitation of video collaboration vulnerabilities, among other things. Furthermore, the increase in employees working from home in response to the COVID-19 pandemic increased cyber risk due to inadequate security configurations of domestic (home) networks and use of non-corporate devices. As of the date of this report, GCC has implemented measures including (i) system updates and tools for the security of its equipment and (ii) periodic cybersecurity releases and mandatory webinar trainings for all of its employees.

A significant portion of GCC's total assets are intangible assets, including goodwill. An impairment in the carrying value of goodwill or other intangible assets could negatively affect the business, results of operations, and financial condition.

As of December 31, 2023, goodwill constituted approximately 8% of GCC's total assets. Goodwill is deemed to have an indefinite life; therefore, it is not amortizable. However, goodwill and other intangible assets with indefinite life are subject to impairment tests on an annual basis or earlier when there are indicators of impairment, pursuant to which is adjusted, if applicable, the carrying amount thereof for the impairment loss that is determined. To apply impairment tests, goodwill is assigned to cash generating units ("CGU"), which are defined on the basis of geographic markets taking into consideration the synergies in business combinations that have been made. If the recoverable amount of the CGU, which is determined based on value in use, is less than the CGU's carrying amount, the impairment loss is first assigned to reduce the carrying amount of the goodwill assigned to the CGU, and then to the other CGU's assets in a proportional manner, considering the carrying amount of each asset. The impairment loss of goodwill is recognized in the statement of comprehensive income and is not reversed in subsequent periods.

The economic and competition trends in the markets where GCC operates have a significant impact on the assessment of goodwill impairment and the determination of recovery values of CGUs. Likewise, the discount rates used have a significant effect on impairment evaluations. In the past, GCC has readjusted its goodwill downward due to the results of its goodwill impairment tests, and it cannot assure that possible downturns in the economies where they operate will not necessitate downward readjustments of its goodwill for impairment in the future. If the value of GCC's intangible assets, including goodwill, becomes impaired, the business, results of operations, and financial condition may be materially adversely affected.

GCC may be required to spend more on capital investments than it anticipates, which may have a material adverse effect on the Company's business, results of operations, and financial condition.

For the years ended December 31, 2023, 2022 and 2021, GCC recorded capital expenditures for US$163.5, US$96.4 and US$51.5 million, respectively. By its nature, the Company requires significant capital expenditures to maintain the efficiency levels necessary for its operations. The Company's capital expenditures may increase substantially if it is required to undertake additional or unexpected actions to comply with new regulatory requirements, including amendments to environmental regulations, or compete with new technologies.

It also may be necessary to expand production capacity at a rate greater than GCC´s estimates if demand for its products exceeds its estimates. The Company may not have the capital to undertake these capital investments. If GCC is unable to obtain sufficient capital or obtain it at a reasonable cost, or it is otherwise limited by the capital expenditures cap discussed above, the Company may not be able to expand production sufficiently to take advantage of changes in the marketplace or to maintain the necessary levels of efficiency necessary to stay competitive, which may have a material adverse effect on its business, results of operations, and financial condition.

GCC is subject to different disclosure and accounting standards than companies in other countries.

A principal objective of the securities laws of the United States, Mexico, and other countries is to promote full and fair disclosure of all material corporate information, including accounting information and relevant events. However,

there may be less or different publicly available information about foreign issuers of securities than is regularly published by or about Mexican issuers of listed securities. GCC is subject to reporting obligations in respect of the shares listed on the Mexican Stock Exchange. The disclosure standards imposed by the Mexican law and the Mexican Stock Exchange may be different than those imposed by laws and securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available regarding the Company may not correspond to what non-Mexican stocks investors are accustomed to.

In addition, disclosure standards requirements in Mexico differ from those of the United States. In particular, GCC´s annual consolidated financial statements are prepared in accordance with IFRS as issued by the IASB, which differ from U.S. GAAP in several respects. Items on the financial statements of a company prepared in accordance with IFRS as issued by the IASB may not reflect, or may reflect differently, its financial position or results of operations as they would have been reflected if such financial statements had been prepared in accordance with U.S. GAAP.

GCC may not have the capacity to complete acquisitions, for various reasons, which is a key element of its growth strategy.

Given the difficulty of developing greenfield plants and projects, as well as concrete and aggregates operations, the Company is constantly seeking acquisition alternatives in the markets in which it operates or in adjacent markets. Such acquisitions may be limited by the absence of reasonably priced projects or projects that the Company can finance or by environmental and contingency issues that the Company is not willing to accept. In addition, antitrust or foreign investment authorities may restrict these acquisitions or impose conditions on them, considering that the Company has significant presence or power to impose price conditions in the markets in which it operates. Once acquired, these plants and operations may be subject to relevant contingencies, including regulatory contingencies (which may require significant amounts of capital investment) that the Company may not be able to identify. Any of the foregoing could result in limitations on the Company's growth or adversely and significantly affect its business, the results of its operations, and financial condition.

GCC may not be able to realize the expected benefits from acquisitions, some of which may have a material adverse effect on the Company's business, results of operations, and financial condition.

GCC´s ability to realize the expected benefits from acquisitions depends, in large part, on its ability to integrate acquired operations with its existing operations in a timely and effective manner. These efforts may not be successful. GCC cannot assure you that it will be successful in identifying or acquiring suitable assets in the future. If it fails to achieve the anticipated cost savings or synergies from any acquisitions, its business, results of operations, and financial condition would be materially and adversely affected. The Company may also be unable to successfully carry out asset acquisitions for various reasons that may be outside its control. If GCC cannot successfully carry out asset acquisitions, its business plans may be affected.

Higher energy and fuel costs may have a material adverse effect on the Company's business, results of operations, and financial condition.

GCC's operations require significant amounts of energy, particularly in the cement production process and, to a lesser extent, in connection with its distribution operations, which rely on the use of gasoline and diesel fuel to deliver its products. The availability of energy and related inputs from utilities could be volatile and could be affected by political, economic and regulatory conditions that are outside its control. In the event that the prices of natural gas, coal or electricity rise, suddenly, as has occurred in the past, the Company's profit margins could decrease as it may not be able to pass through energy cost increases to its customers, which could have a material adverse effect on its business, results of operations and financial condition. To mitigate its exposure to high energy costs and their volatility, GCC has implemented technical improvements in its cement plants that provide the option to use coal or alternative fuels in most of its installed capacity for cement production. All GCC's cement plants, except for the Pueblo, Colorado plant, can use natural gas for clinker production if natural gas pricing is more favorable, or if coal supply is interrupted or its quality is inadequate.

In addition, GCC has been operating its Colorado coal mine since 2005, which supplies coal to its cement plants, except the Rapid City, South Dakota plant, for which it uses a coal supplier in Wyoming, the Trident, Montana plant, which uses a coal supplier in Montana, and the Odessa, Texas plant, which operates all with natural gas. The Company estimates that the coal mine has sufficient coal reserves to supply its cement plants and sales to third parties. However, GCC´s operations at coal mine are subject to a variety of conditions and variations in geology, as well as various federal, state and local regulations, including those relating to employee health and safety, which may result in the temporary closure of the mine in the event of certain violations. The Company therefore cannot guarantee that the coal reserves from its Colorado coal mine will be available in the future or that GCC will be able to operate the mine in the same manner, which could affect its business, results of operations, and financial condition, if it cannot obtain alternative energy supply on terms acceptable to the Company or at all.

The Company's business, results of operations, and financial condition could be materially adversely affected by an interruption of the supply of raw materials.

GCC is dependent on a variety of raw materials that support its manufacturing activities, including limestone, clay, gypsum, silica, and iron oxides. The Company's ability to meet its customers' needs depends heavily on an uninterrupted supply of these materials, which it sources from owned or leased quarries located near its cement plants or which it purchases from suppliers. However, production problems, lack of capacity, high demand periods, changes in the Company's third-party suppliers' financial or business conditions or planned and unplanned shutdowns of their production facilities that affect their ability to supply GCC raw materials that meet its specifications, or at all, could disrupt GCC's ability to supply products to its customers. The Company is also susceptible to the breach or termination of lease agreements for the quarries where it has deposits or the breach or termination of contractual obligations by its third-party suppliers.

For its Rapid City, South Dakota cement plant and the Trident, Montana plant, GCC has a short-term supply agreement with coal suppliers. The Company can give no assurance that such suppliers will not breach or terminate the agreement or will renew the agreement upon expiration, although there are several suppliers in the region that GCC believes can supply it with coal for these plants. In addition, interruptions in raw material supply caused by events outside GCC's or its suppliers' control, such as mine and quarry accidents, inclement weather, labor disputes, epidemics or transportation disruptions, also could cause it to miss deliveries and breach its contracts, which could damage the Company's relationships with its customers and subject it to claims for damages under its contracts. If any of these events were to occur for more than a temporary period, GCC may not be able to make arrangements for transition supply, substitute materials, or qualified replacement suppliers on terms acceptable to them or at all, which could have a material adverse effect on its business, results of operations, and financial condition.

The increase in the prices of raw materials could materially adversely affect the Company's business, results of operations, and financial condition.

If the prices GCC has to pay for raw materials under its existing supply contracts with independent suppliers or under replacement supply contracts increase, it could face significantly higher production costs. Prices of products, such as diesel fuel, tires, steel and explosives, and other raw materials, such as aggregates and sands, have the most significant impact on the prices of the Company's raw materials. Although GCC believes its independent providers to be a stable, secure, and adequate source, increases in raw material prices could adversely affect its ability to renew these contracts on similar terms or at all. Should these suppliers cease operations, eliminate the production of these raw materials or substantially increase their prices, the Company's sourcing costs for these materials may increase significantly or it may be required to find alternatives to these materials. Similarly, increases in raw material prices could adversely affect its ability to enter into shorter-term supply agreements at favorable prices. GCC also may not be able to pass through price increases to its customers, which could have a material adverse effect on its business, results of operations, and financial condition.

GCC faces numerous uncertainties in estimating its recoverable coal reserves and reserves for other raw materials, and inaccuracies in the estimates could result in higher-than-expected fuel and raw material costs or decreased profitability if it must obtain a significant portion of its fuel or other raw materials from other suppliers, which could have a material adverse effect on the Company's business, results of operations, and financial condition.

GCC internally sources a significant portion of its fuel requirements through its coal mine in Colorado for its cement operations in Mexico, Tijeras, New Mexico, and Pueblo, Colorado, and it sources a significant portion of its other raw materials mainly used in its cement production from quarries and mines that the Company either owns or leases. GCC's reserve estimates are prepared by its engineers and geologists and are subject to annual review by its corporate staff jointly with its regional technical managers. In certain cases, the Company has used the services of third-party geologists and/or engineers to validate its estimates. There are numerous uncertainties inherent in estimating quantities, quality, and costs to mine recoverable reserves, including many factors beyond its control. Estimates of economically recoverable coal reserves and reserves of certain other raw materials depend upon several variable factors and assumptions, such as geological and mining conditions, which may not be fully identified by available exploration data or which may differ from experience in current operations, historical production from the area compared with production from other similar producing areas, the assumed effects of regulation and taxes by governmental agencies and assumptions concerning coal prices, operating costs, mining technology improvements, indemnities and special taxes, development costs and remediation costs, all of which may vary considerably from actual results. Therefore, proven reserve estimates may differ materially from the recoverable quantities of coal and other raw materials. Any inaccuracy in the Company's estimates related to its reserves could result in higher-than-expected fuels and raw materials costs, decreased profitability if it must source its energy or raw materials from other suppliers, or delays in its production if it cannot obtain alternate sources of fuel or raw materials on acceptable terms, any or all of which could have a material adverse effect on the Company's business, results of operations, and financial condition.

The introduction of cement substitutes into the market and the development of new construction techniques could have a material adverse effect on the Company's business, results of operations, and financial condition.

Materials such as plastic, aluminum, ceramics, glass, wood, and steel can be used in construction as a substitute for cement. In addition, other construction techniques, such as the use of plasterboards, could decrease the demand for cement and concrete. Research aimed at developing new construction techniques and modern materials may result in the introduction of new products in the future, reducing the demand for cement and concrete. The use of cement substitutes could cause a significant reduction in the demand and prices for GCC's products and have a material adverse effect on its business, results of operations, and financial condition.

A disruption or delay in the supply chain or in the production at one of the GCC's production facilities could have a material adverse effect on the Company's business, results of operations, and financial condition.

If one of GCC's production facilities or the supply chain were to cease production unexpectedly, in whole or in part, its sales and financial results could be materially adversely affected. Such disruption could be caused by several events, including:

- maintenance outages;
- prolonged power failures;
- equipment failures or malfunctions;
- embargoes on rail freight traffic;
- fires, floods, tornadoes, earthquakes, or other catastrophes or effects of extreme weather;
- potential unrest or terrorist activity;

- pandemics;
- accidents;
- labor difficulties; or
- other construction, design, or operational problems, including those related to the granting, or the timetable for granting of permits.

Based on its production schedule and cycle times, GCC determines the amount of inventory needed at each of its locations. If there is an unplanned service interruption at any of its plants, inventory levels may drop to a level where servicing the relevant markets may be compromised. Also, if the Company does not effectively manage its inventory of raw materials to ensure adequate supplies during peak periods and to minimize excessive expenditures during slow periods, its business, results of operations, and financial condition could be adversely affected as a result of its inability to meet production orders of cement, ready-mix concrete or other products. Although GCC attempts to mitigate this risk by keeping inventory at all of its terminals and shipping stations, and in some cases, it can ship products from one plant to another for a short period, the inventory may not be sufficient to cover the increased demand from such market. In addition, this strategy would cause it to incur significant additional transportation costs. For example, in previous years, the Company faced increased freight costs associated with the shipment of cement to its northern markets (North Dakota, Iowa and Minnesota) from its Pueblo, Colorado cement plant to cover sales from its cement plant in Rapid City, South Dakota, which sold cement beyond its capacity. GCC also must effectively manage its inventories of raw materials to ensure adequate supplies during peak periods and to minimize excessive expenditures during slow periods. For example, although GCC's network of ready-mix concrete plants in certain regions provides back up for any plant that might be affected by a disruption, a prolonged shutdown of any of its production facilities could cause it to miss deliveries and breach its contracts, which could damage its relationships with its customers and subject it to claims for damages under its contracts. Any of these events could have a material adverse effect on the Company´s business, results of operations, and financial condition.

The company's operations could be adversely affected by weather conditions and natural disasters.

Construction activity, and therefore the demand for GCC´s products, significantly decreases during periods of cold weather, snow, and prolonged or intense rain. Consequently, demand for its products is significantly lower during the winter and rainy seasons. Winter weather significantly reduces the Company's sales of cement and concrete during the first quarter and, to a lesser extent, during the fourth quarter. However, in the event the weather remains mild through late October into November, it can supply cement and ready-mix concrete to projects until the first hard freeze or snow. Sales in markets with harsh winter weather conditions generally improve during the second and third quarters due to an improvement in such conditions. However, high rain levels or other adverse weather could negatively affect its operations during these periods.

In addition, flooding, severe weather or natural disasters not only delay and lead to the cancellation of projects, but also disrupt transportation logistics, particularly by rail, and could also delay the Company's production. For example, production at the Rapid City, South Dakota plant, Pueblo, Colorado and the Trident, Montana plant are subject to much greater variation in winter conditions than in southern regions. Natural disasters, such as tornadoes, could impede operations, damage GCC's infrastructure, or adversely affect its production facilities. Any such weather condition or natural disaster in the areas in which it operates could adversely affect its business, results of operations, and financial condition, especially if they occur with unusual intensity, during abnormal periods, for periods lasting longer than usual, or during peak periods of construction activity.

Disruptions to the Company's distribution network could have a material adverse effect on its business, results of operations, and financial condition.

Within Mexico, approximately 24% of the volume of cement that GCC sells is sold in bags and distributed principally through independent distributors within the state of Chihuahua and its distributor subsidiary, Construcentro. Within the United States, GCC distributes bulk cement by rail on railcars that it has leased to its cement distribution terminals located throughout the states in which it operates. Damage or disruption to its distribution capability or to that of its

third-party distributors due to weather, natural disaster, floods, fire, electricity shortages, terrorism, border closures, other service interruptions, pandemics, labor strikes, and disputes with employees, or the financial instability and/or instability of key distributors and warehousing, could impair the Company's ability to distribute its products. To the extent that it is unable, or it is financially unfeasible, to mitigate disruptions to its distribution chain, there could be adverse effects on GCC's business, results of operations, and financial condition, and substantial additional resources could be required to restore its distribution network. In addition, a shortage of inventory at any of its distribution terminals could cause it to miss deliveries and breach its contracts, thereby damaging the relationships with its customers and exposing it to claims for damages. In Mexico, and to a lesser extent in the United States, GCC also distributes some of its products by truck, using its fleet. In addition to all the risks described above, significant capital outlays may be required to repair or replace aging or damaged vehicles. As its vehicle fleet ages, operation and maintenance costs also increase. For example, insurance rates and the costs of compliance with governmental regulations, safety, or other equipment standards increase with time. The Company cannot assure that, as its trucks age, market conditions will justify those expenditures or enable it to operate its trucks profitably during the remainder of their useful lives. A shortage of trucks would require it to outsource its distribution operations, resulting in higher costs, which could adversely affect GCC's business, results of operations, and financial condition.

GCC's Tijeras, New Mexico plant is not serviced by rail, and all distribution is made by third-party or customer trucks. If any issues, including labor strikes, disputes, or truck breakdowns, arise, the Company would be dependent on other third-party trucks for delivery. The Company cannot assure you that third-party trucks will be available for product distribution from its Tijeras, New Mexico plant on terms that are acceptable to it, or that higher costs associated with contracting other third-party distributors will not affect its business, results of operations and financial condition.

Labor unrest, failure to maintain good relationships with labor unions, and labor-related costs may have adverse effects on the Company's business, results of operations, and financial condition.

As of December 31, 2023, GCC had 3,287 employees. Approximately 35% of its employees were unionized. In its Mexican operations, all its unionized employees are members of the *Confederación de Trabajadores de México* (Confederation of Mexican Workers). Each of GCC´s cement plants, ready-mix concrete facilities, and transportation operations in Mexico has its collective bargaining agreement in place with its unionized workers. These agreements are reviewed every two years for certain benefits other than wages, and yearly for wages. At the Odessa plant, some of the workers are affiliated with the United Cement, Lime, Gypsum and Allied Workers Division, Boilermakers International Union, whose collective bargaining agreement was last negotiated in 2023 and will be negotiated again in 2027. Some of GCC´s workers in its Rapid City, South Dakota plant are affiliated with the United Steel, Paper & Forestry, Rubber, Manufacturing, Energy, Allied Industrial & Service Workers Union. GCC's labor collective bargaining agreement with employees in this plant, which was last negotiated in 2022 and will be negotiated again in 2025, has a no-strike clause. Additionally, at the Trident plant we have a collective bargaining agreement with Cement, Lime, Gypsum and Allied Workers Division International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, which was last negotiated in 2022 and will also be negotiated again in 2025. GCC believes it maintains a positive and cooperative relationship with its unions and its other employees, and it works towards developing and improving the quality of life of its personnel. Although GCC believes that its relationship with all the labor organizations that represent its workers is satisfactory, labor-related disputes may arise. Labor-related disputes that result in strikes or other disruptions could cause increases in operating costs, which could damage its relationship with its customers and adversely affect its business, results of operations, and financial condition.

In addition, GCC´s business, results of operations, and financial condition may be materially and adversely impacted as a result of increases in labor costs, including under its pension and benefits plans, as well as an initiative in Mexico intended to limit outsourcing and to have companies pay employee profit-sharing. Despite measures to mitigate these and other expenses, the Company may be unable to do so successfully, which could have a material adverse effect on its business, results of operations, and financial condition.

The loss or consolidation of any one of GCC's top customers or late payments by these or other customers could reduce net sales and harm the Company's business, results of operations, and financial condition.

For the years ended December 31, 2023, 2022 and 2021, GCC´s top ten customers represented 16.1%, 16.3% and 21.0% of its net sales, respectively. Its top two customers together represented approximately 4.5% of its net sales during 2023. The loss or consolidation of one or more of these customers or a significant decrease in business from one or more of these customers could harm the Company's business, results of operations, and financial condition. GCC records an allowance for doubtful accounts receivable where collection risks are anticipated, and it requests, when applicable, guarantees and collateral. The Company cannot assure you that it will not experience late payments by these or other customers, and any late payments in the future may be material, which could harm its business, results of operations, and financial condition.

GCC's industry is highly competitive, and if the Company is unable to compete effectively with existing competitors, or with new entrants, the Company's business, results of operations, and financial results could be materially adversely affected.

GCC competes on a global basis with producers and importers of cement and with local ready-mix concrete producers. Its business faces significant competition from several global industry participants and some regional competitors. In the United States, the Company competes with Holcim, CEMEX, Eagle Materials Inc. ("Eagle Materials"), Heidelberg Cement AG ("Heidelberg Materials"), CRH plc ("CRH"), Salt River Materials Group ("SRMG"), Buzzi Unicem ("Buzzi") and Summit Materials, Inc., all of which have sales and resources exceeding GCC's, which they may use to develop market share or leverage their distribution networks. In Mexico, GCC competes with CEMEX, Holcim Mexico, Corporación Moctezuma, S.A.B. de C.V. ("Moctezuma"), Cooperativa La Cruz Azul, S.C.L. ("Cooperativa La Cruz Azul") and Cementos Fortaleza, S.A. de C.V. ("Cementos Fortaleza") all of which have sufficient sales and resources to develop market share or leverage their distribution networks.

In addition, new competitors and alliances may and do emerge from time to time and may and do take market share away from GCC, which may adversely affect its profit margins and results of operations in regions in which it has excess capacity. Some of these competitors may decide to allocate significant resources to compete in its markets by granting concessions to customers that GCC cannot provide. Even where the ready-mix concrete production capacity is in balance, the oversupply of cement creates excessive price pressure on the ready-mix concrete markets and opportunities for new competitors, which in some cases are financed by cement producers. The Company's competitive position in the markets in which it operates depends upon the relative strength of these competitors in those markets and the resources they devote to competing in those markets, as well as GCC's ability to offer competitive prices, value-added services, specialty products and maintain its relationships with its customers. GCC also faces competition from substitute products, particularly for certain of its prefabricated products. All of these factors could cause the Company to experience sales and loss of market share, which could have a material adverse effect on its business and financial results.

GCC may not be able to keep up with competitive changes affecting its industry, which could have a material adverse effect on the Company's business, results of operations, and financial condition.

The cement market is characterized by evolving industry and end-market standards, changing regulations, new environmental standards and frequent enhancements to existing products, services, and technologies, the introduction of new products and services, and changing customer demand, all of which could result in unpredictable product transitions. The success of GCC's new products and services depends on their initial and continued acceptance by its customers. The Company believes it has a competitive advantage tied to its unique and innovative products. If it is unable to anticipate changes or develop and introduce new and enhanced products, services, and innovations that are accepted by its customers on a timely basis, its ability to remain competitive and take advantage of its competitive advantage may be adversely affected. Any of the foregoing could have a material adverse effect on the Company's business, results of operations, and financial condition.

An unfavorable resolution on GCC's sale of its sales in SOBOCE may have materially adversely affect the Company's operations, results of operations, and financial condition.

On August 18, 2011, GCC sold its 47.02% interest in SOBOCE to Consorcio Cementero del Sur ("CCS"), a subsidiary of Grupo Gloria based in Peru. The proceeds from the sale were mainly used to reduce the Company's debt and after the transaction, it ceased operations in Bolivia.

Compañía de Inversiones Mercantiles, S.A. ("CIMSA"), SOBOCE's majority shareholder, filed a request for arbitration before the IACAC, alleging violations of CIMSA's right of first refusal concerning the sale of SOBOCE's shares to CCS, pursuant to under a shareholders' agreement GCC entered into with CIMSA. GCC was notified of this request on November 16, 2011. In September 2013, an arbitral tribunal issued a Liability Award against GCC and GCC Latinoamerica, S.A. de C.V. ("GCC Latinoamerica"), finding both parties liable for breaching the shareholders' agreement. In December 2014, CIMSA sold its 51.3% interest in SOBOCE to CCS, thereby making CCS the majority and controlling shareholder of SOBOCE with approximately 98.32% of its shares. On April 15, 2015, the arbitration panel issued a final Damages Award, requiring GCC and GCC Latinoamerica to pay CIMSA US$36.1 million for damages and expenses plus fees, costs, and interest.

GCC sought their annulment, as a result of which both awards have been set aside in Bolivia. On January 11, 2018, Bolivia's Supreme Court of Justice issued a decree affirming the annulment of the Liability Award.

On October 29, 2020, the Company was notified of the resolution in favor of GCC entered by the Fourth Specialized Bolivian Constitutional Court (Bolivia's highest court), affirming the annulment of the Damages Award of April 15, 2015. The resolution is final and does not permit further appeal. Based on the above, GCC filled a motion for revocation against the ruling of the Colorado Denver Judge, which was denied.

On January 11, 2023, GCC received an unfavorable decision from the Tenth Circuit Court of Appeals. The Tenth Circuit's decision upholds the verdict of the Colorado District Court, which orders GCC to pay CIMSA the equivalent amount of $36.1 million dollars plus expenses and interest. GCC appealed this resolution in the corresponding legal instances.

On March 10, 2023, GCC reached a settlement agreement with CIMSA, with whom it held various legal and arbitration disputes since 2011, related to the sale of shares of the Bolivian company SOBOCE. With this agreement, the disputes between GCC and CIMSA are definitively terminated, while GCC retains the contractual right to be indemnified for the payment made by third parties.

Tax regulations and their implementation could be modified, both in their wording and in their interpretation, which could adversely affect the Company's results.

GCC is subject to tax regulations applicable to the different markets in which it operates, particularly Mexican and U.S. federal laws. These provisions are constantly evolving, both in terms of their implementation and interpretation. Although it is the Company's policy to comply with tax regulations on a conservative basis, these regulations may be subject to interpretation, and no assurance can be given that the tax authorities will agree with GCC's interpretation or will not modify their interpretation in the future, which could have a material adverse effect on the Company's financial position, both concerning payments made in prior years and to unforeseen payments that the Company did not expect to pay as a result of the application of the tax regulations.

GCC is subject to audits, reviews and other procedures by the tax authority, as well as possible litigation, penalties and fines arising from such processes, which could have a material adverse effect on the Company's financial position.

The tax authority is empowered to conduct audits, reviews and other procedures to verify compliance with tax obligations. These procedures may involve various aspects of the Company's operations, including, but not limited to, the assessment of taxes, filing of returns, documentation of transactions and the application of international treaties.

In the event of a disagreement with the tax authority or an unfavorable assessment resulting from these processes, GCC may face litigation, sanctions, fines or other penalties. These processes, as well as the exercise of GCC's procedural and constitutional rights, could require significant attention and result in additional costs and expenses for the Company.

GCC endeavors to comply with the law and all tax regulations, as well as to defend its position in any controversy, however, there is no assurance that these processes, as well as any litigation, including those that may arise in the future, will not have an adverse effect on the Company's operations, results of operations and financial position. Additionally, any negative publicity related to these matters could affect GCC's reputation and investor perception.

Compliance with environmental, health, and safety laws and regulations could result in significant costs and liabilities, which could have a material adverse effect on the Company's business, results of operations, and financial condition.

GCC's operations are subject to strict laws and regulations governing environmental protection, health, and safety in the United States and Mexico. These environmental, health, and safety laws and regulations generally require the Company to obtain and comply with various permits, licenses, registrations, and other approvals (including environmental protection standards regarding, among other things, emission of air pollutants, wastewater discharges, use and handling of hazardous materials or waste), as well as incur capital expenditures in connection with its compliance efforts. Even though GCC continuously strives to comply with environmental, health, and safety laws and regulations, related permits, and other requirements, there can be no assurance that its operations will at all times comply. The enactment of new environmental, health and safety laws and regulations, the more stringent interpretation or enforcement of existing requirements, or the imposition of liabilities under such laws and regulations, could force GCC to incur costs for compliance, capital expenditures, or liabilities relating to damages claims or limit its current or planned operations, any of which could have a material adverse effect on its business, results of operations, and financial condition.

GCC's industry has become subject to a series of new and more stringent environmental requirements in the United States. In particular, the EPA issued the New Source Performance Standard for Portland Cement Plants (NESHAP) in September 2010, the final and revised version of the emission standards for commercial and industrial solid waste incinerators in February 2013, and the final version of the regulations governing coal combustion residuals in December 2014. The EPA has promoted more stringent Clean Air Act permit requirements and efforts to address climate change and reduce the emissions of GHGs through federal and state laws and regulations and regional initiatives in the United States, as well as through international agreements and the laws and regulations of other countries. In addition, cement production requires the combustion of a significant volume of fuel, and the chemical reaction (decarbonation) resulting from this production process generates CO2 as a by-product of the calcination process. As a result, efforts to address climate change through federal, state, regional and international laws that require reductions in GHG emissions may lead to economic risks and uncertainty for the Company's business. These risks could include costs to process and obtain permits, additional taxes, as well as of the installation of equipment necessary to reduce emissions to meet new GHG limits or other required technology standards, in addition to a possible reduction in demand for its products, and an increase in production costs. Additionally, the Company is at constant risk of being involved in lawsuits and administrative proceedings, resulting directly or indirectly from the imposition of legislative or regulatory controls, as well as from violations of GHG emission limits. To the extent that financial markets view climate change and GHG emissions as a financial risk, this could have a significant adverse effect on the cost and access to capital. Given the uncertain nature of current and future legal and regulatory requirements for GHG emissions at the federal, state, regional, and international levels, it is not possible to predict the impact on operations or financial position or to make reasonable forecasts of potential costs that may result from such requirements.

Although all of its facilities comply with these environmental regulations as of the date of this report, the Company cannot assure you that it will have the capacity or resources necessary to continue to comply with these regulations going forward. GCC also cannot predict whether it will be able to comply with new requirements issued in the future. The environmental requirements of the United States and Mexico described above whether already in effect or upon

their implementation, individually or in the aggregate, could negatively affect its operations and have a material adverse effect on the Company's business, results of operations, and financial condition.

Under certain environmental, health and safety laws and regulations, GCC also could be held responsible for liabilities and obligations arising out of past or future releases of hazardous materials, exposure to these hazardous materials and other environmental damage, in some cases, without regard to fault. As of the date of this report, the Company is not subject to any legal or administrative proceeding under health or safety laws or regulations that could have an adverse material effect on its business or financial results. Several its facilities, however, have been in industrial use for many years, including prior to GCC ownership. It is possible that some of these facilities may have contamination. As such, obligations to investigate or remediate contamination or related liabilities may be imposed on the Company in the future, such as in the event of the discovery of contamination at any of its current or former sites or in the event of a change at a facility such as its closure or sale or in the event of an investigation by a regulatory authority. In addition, private parties may have the right to pursue legal action to enforce compliance or seek damages for violations of those laws and regulations or for personal injury or property damage. GCC's insurance may not cover all environmental, health and safety risks and costs or may not provide complete coverage in the event of an environmental, health or safety claim against GCC. Any such obligations, liabilities or actions could have a material adverse effect on the Company's business, results of operations, and financial condition.

In addition to the risks identified above arising from actual or potential statutory and regulatory controls, severe weather, rising seas, higher temperatures and other effects that may be attributable to climate change may impact any manufacturing sector in terms of direct costs (e.g., property damage and disruption to operations) and indirect costs (e.g., disruption to customers and suppliers and higher insurance premiums). To the extent that such conditions negatively affect GCC's operations, they could have a material adverse effect on its business, results of operations, and financial condition.

GCC may be subject to environmental fines or penalties, which, if substantial, could have a material adverse effect on the Company's business, results of operations, and financial condition.

In recent years, through a Section 114 information request under the Clean Air Act, the EPA imposed multi-million-dollar penalties on several companies operating cement plants in the United States. Most of these penalties were for various violations of Prevention of Significant Deterioration ("PSD") permitting requirements, focused on emissions of sulfur dioxide and nitrogen oxides. In addition, the EPA or other environmental regulatory authorities have assessed approximately 15 penalties against GCC since 2015. These assessed penalties were all less than US$100,000 each. The Company cannot predict if it will be subject to additional fines and, if so, whether such fines will be material.

1.c.iii) Risks related to GCC's shares

The market price of GCC's shares may be volatile and the investors could lose all or part of their investment.

The trading price of GCC's shares may fluctuate substantially, depending on many factors, some of which are beyond its control and may not be related to the Company's operating performance. These fluctuations could prevent investors from selling their shares at or above the price paid for them and result in the total or partial loss of the shareholders' investment. The factors that could cause fluctuations include, but are not limited to, the following:

- Investors' perceptions of GCC's prospects and the prospects of the lines of business where it operates;
- differences between the Company's actual financial and operating results and those expected by investors;
- actions by GCC's controlling shareholder concerning the disposition of the shares it beneficially owns or the perception that such actions might occur;
- the decisions made by the Company's controlling shareholder regarding its activities and operations;
- the operating performance of similar companies in Mexico and abroad;

- an increase in competition;
- the market's perception regarding GCC's management's performance;
- announcements by GCC or its competitors of significant acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments;
- changes to regulations applicable to GCC or new interpretations of current laws and regulations, in particular those applicable to its business or shares;
- general economic conditions in the United States and Mexico;
- the reduction or substantial impairment of the liquidity of GCC's shares;
- political and market conditions in the United States, Mexico and other countries;
- significant volatility in the market price and trading volume of securities of companies in GCC's sector;
- fluctuations in the exchange rate between the Mexican peso and the U.S. dollar;
- additions or departures of key management personnel;
- acquisitions completed by the Company and its ability to absorb them;
- fluctuations in GCC's earnings, including quarterly operating results; and
- broad capital market fluctuations.

In addition, in the future, GCC may issue equity securities, or its controlling shareholder may dispose of its interest in GCC, either partially or in full. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholder's economic and voting rights or a negative perception by the market and a potential decrease in the market price of the shares.

The market for GCC's share may continue to be inactive or illiquid.

Although GCC's shares are currently listed and traded on both Mexican Stock Exchanges, BMV and BIVA, its shares have historically experienced and may continue to experience low trading volumes and limited liquidity. In addition, the Mexican market is substantially smaller, less liquid, more volatile, has a lower institutional investor base, has a lower market depth, and is more concentrated than major international securities markets, such as those of the United States. Such market characteristics may substantially limit the capacity of holders of GCC's shares to sell them, or to sell them at such time and price as they deem appropriate, and this may negatively affect the market price and liquidity of its shares.

GCC is a holding company and therefore its ability to pay dividends depends on its subsidiaries' ability to transfer income and dividends.

GCC is a holding company with no significant assets other than the stock of its direct and indirect subsidiaries. In general, its ability to pay dividends depends on the continued transfer of dividends and other income from its wholly owned and non-wholly owned subsidiaries. The ability of the Company's operating subsidiaries to pay dividends and make other transfers is limited by various regulatory, contractual and legal constraints. For example, GCC's operating subsidiaries in Mexico are subject to Mexican legal requirements, which provide that a corporation may declare and pay dividends only out of the profits reflected in the year-end financial statements that are approved by its stockholders. In addition, this payment can be approved by a subsidiary's stockholders only after the creation of a required legal reserve (equal to one-fifth, or 20%, of the relevant company's capital) and absorbed the losses, if any, incurred by the subsidiary in previous fiscal years. The Company cannot assure that its subsidiaries will generate sufficient income to pay out dividends, and without these dividends, GCC, in turn, may be unable to pay dividends.

The payment and amount of dividends are determined by the vote of GCC's stockholders and are subject to other limitations.

The payment of dividends and the amounts of such dividend payments paid by GCC to its shareholders are subject to the recommendation of its Board and approval by its shareholders. As long as the Company's controlling shareholder continues to own the majority of its shares, it will have the ability to appoint the majority of the members of its Board and to determine whether dividends are paid and the amount of such dividends. In addition, the payment of dividends is subject to the existence of profits, the absorption or repayment of past losses and the approval of its financial statements for the corresponding period by the shareholders' meeting. Although GCC has paid dividends in the past, there can be no assurance that it will be able to pay or maintain dividends, nor can it assure that its shareholders will approve a dividend policy proposed by its Board or if its Board will propose one, or what the terms of such dividend policy will be.

In accordance with the General Law of Business Corporations (*Ley General de Sociedades Mercantiles*), 5% of the Company's annual net earnings (if any) must be allocated to a legal reserve fund, until such legal reserve fund is equal to at least one-fifth, or 20%, of its paid-in capital stock. As of the date of this report, GCC's legal reserve fund is equal to 20% of its paid-in capital stock. The legal reserve fund may be capitalized but must not be distributed unless the Company is dissolved and must be reconstituted when the fund decreases for any reason. As of December 31, 2023, the legal reserve totaled US$22.7 million and is recorded separately from the Company's retained earnings.

Dividend distributions to holders of GCC's shares will be made in Mexican pesos.

GCC will make dividend distributions to holders of its shares in Mexican pesos. Any significant fluctuations in the exchange rates between Mexican pesos and U.S. dollars or other currencies could have an adverse impact on the U.S. dollar or other currency to the equivalent amounts of such translation received by the shareholders. In addition, the amount paid by the Company in Mexican pesos may not be readily convertible into U.S. dollars or other currencies. While the Mexican government does not currently restrict the ability of Mexican, foreign persons or entities to convert Mexican pesos into U.S. dollars or other currencies, the Mexican government could institute restrictive exchange control policies in the future. Future fluctuations in exchange rates and the effect of any exchange control measures adopted by the Mexican government on the Mexican economy cannot be predicted.

The relative volatility and lack of liquidity in the Mexican stock market could substantially limit shareholders' ability to sell their common stock at the desired price and time.

Investing in securities traded in emerging markets, such as Mexico, generally involves higher risks than investing in securities of issuers from other markets, and such investments are considered more speculative. The Mexican stock market is substantially smaller and concentrated in a limited number of institutional participants and may be more volatile than other securities markets. Additionally, there is greater concentration in the Mexican stock market. Consequently, the ability of shareholders to sell their common stock in the Mexican stock market at the desired price and time may be limited.

If securities or industry analysts do not publish research or reports about GCC's business, or publish negative reports about its business, its share price and trading volume could decline.

The trading market for GCC's shares depends in part on the research and reports that securities or industry analysts publish about GCC or its business. If any analyst who covers the Company makes public negative information or inaccurate or unfavorable research about its business, GCC's stock price could decline. If any analyst ceases coverage of the Company or fails to publish reports on it regularly, demand for GCC shares could decrease, which might cause the price and trading volume of its shares to decline.

If the Company issues additional shares in the future, the investors may suffer dilution and the trading prices for GCC's securities may decline.

GCC may issue additional shares for financing future acquisitions or new projects or for other general corporate purposes. In such cases, GCC shareholders may not be granted preemptive rights related to the issuance of the corresponding shares. Any such issuance or sale could result in a dilution of the ownership stake of the current shareholders and/or the perception of any such issuances or sales could have an adverse impact on the market price of its shares.

The ownership and transfer of GCC's shares is subject to certain restrictions under its bylaws.

Any person or group of persons, that (i) acting individually or jointly, intends in one act or a series of acts, either simultaneous or successive, without time limit among such acts, to acquire, directly or indirectly, in any manner, blocks of shares that represent, concerning each act or acts, 3% or more of the outstanding shares, (ii) competes, directly or indirectly, with GCC, acting individually or jointly, intends in one act or a series of acts, either simultaneous or successive, without time limit among such acts, to acquire, directly or indirectly, any outstanding shares or (iii) intends to enter into agreements, written or verbal, which notwithstanding their duration result in the formation or adoption of mechanisms or voting association agreements, or of voting in concert or in the aggregate, concerning shares representing 3% or more of GCC's outstanding shares, will require the approval of GCC's Board, which must be granted prior to the acquisition or execution of the agreement.

The Board will consider several factors and will approve or deny the transaction within 90 days following receipt of the corresponding request, provided that the Board has received all information required to consider and approve a transaction. If such acquisition or voting agreement is approved by GCC's Board and results in the beneficial ownership by a shareholder or group of shareholders of 15% or more of its shares or a change of control in the Company, the person acquiring the shares or executing the respective voting agreement is required to make a tender offer for 100% of its aggregate outstanding shares. The restrictions described in the foregoing paragraphs may prevent a third party that intends to acquire control of GCC from carrying out such transaction, affect the price of its shares and prevent its shares from receiving a premium as a consequence of a tender offer, which would imply a higher price than the market value of its shares.

In accordance with the current tax laws of Mexico, effective as of January 1st, 2022, GCC may be considered a joint and several obligor for any unpaid taxes related to the sale of common stock between two non-residents of Mexico, to the extent that certain disclosure obligations are not met.

The government of Mexico has published in the Official Gazette of the Federation tax legislation as a result of which, effective as of January 1st, 2022, Mexican companies resident in Mexico may be considered joint and several obligors with respect to taxes generated by the sale of shares issued by such companies from non-resident individuals, to the extent that Mexican companies fail to provide information to tax authorities regarding such sales or dispositions of shares, and the seller does not pay the taxes that may be due. The tax regulation that implements such legislation establishes that companies whose securities are listed on the National Securities Registry are required to comply with such reporting obligation only to the extent that the sales must be reflected in the annual report that must be submitted to the CNBV and Mexican stock exchanges as a result of the percentage of stock participation involved. Given the mechanisms and procedures of stock exchanges, as well as the volume of sales transactions, it is likely to be practically impossible for Mexican public companies, including GCC, to identify and monitor sales of securities (even those that must be reported), as well as to provide the required information to tax authorities regarding securities issued by them. Consequently, if a non-resident person fails to comply with their tax payment obligation resulting from the sale of securities and Mexican companies do not make the corresponding reports to Mexican tax authorities, the latter may impose joint and several liabilities on Mexican companies with respect to taxes owed by such sales or dispositions of securities by a non-resident person, to the extent that the requirements established in tax legislation and regulation for such operations to be tax-exempt are not met.

Non-compliance with the requirements applicable to a company listed in the BMV may result in the delisting of GCC´s shares and the cancellation of its registration with the RNV.

As a public company, GCC is subject to various compliance requirements such as providing periodic information and maintaining a minimum number of shares owned by the public to maintain its listing on the BMV. In the event that the Company fails to meet these requirements, it may become subject to the cancellation of its RNV registration and delisting of its shares from the BMV, penalties, sanctions and other administrative or regulatory actions. Delisting of GCC´s shares could have a material adverse effect on the price and liquidity of its shares.

Protection for minority shareholders under Mexican law differs from that of other jurisdictions.

Under Mexican law, members of the board of directors and officers are subject to diligence and loyalty obligations and are protected from third parties for acts performed in good faith and in accordance with applicable law. An action against a director or officer of GCC requires the ownership of at least 5% of the outstanding shares, and such action is a derivative action, for the benefit of the Company, but not for the benefit of the plaintiff shareholders. Directors and officers are liable only for direct damages to the Company. These protections may not be comparable to those existing in other markets.

Information other than the historical data included in this report reflects the Company´s opinion on future events and could include information about the financial position and results of operations, economic conditions, trends and uncertain facts. In some cases, forward-looking statements can be identified by terminology such as "believe", "estimate", "expect", "consider", "forecast", "plan", among others. Upon assessing those forecasts or estimates, potential investors should take into account the factors described in this section and other warnings contained in this report. These risk factors and projections describe circumstances that could cause actual results to differ from those expressed herein.

1.d) Other securities

As of the date on this report, all GCC´s shares are registered in the Mexican National Securities Registry (*Registro Nacional de Valores*, or "RNV") and the Company does not have any other securities registered in the RNV. In addition, GCC has a sustainability-linked bond (SLB) listed on the Singapore Stock Exchange (SGX-ST).

In the last three fiscal years the Company has punctually observed the delivery of legal, economic, accounting and financial information to the corresponding regulatory authorities, in a complete and timely manner and with the frequency established by the applicable legislation. This information includes, among others, the financial information, the CEO's report, material events, annual report, and operation of the Company's stock buyback fund. This information and documentation are provided to the corresponding authorities on an annual basis, as well as press releases communicating relevant events when necessary.

1.e) Significant changes to the rights of securities registered in the RNV

GCC has not made any amendments to the rights granted to holders of shares representing its capital stock.

1.f) Public documents

All the information contained in this report and/or any exhibits, including the affidavit on adherence to the Best Corporate Practices Code by GCC is available to the investors in the Company's website: www.gcc.com or through the Mexican Stock Exchange (BMV) at their headquarters or on their website: www.bmv.com.mx

Copies of such documents, as well as the quarterly and annual information delivered to the CNBV and the BMV may be obtained upon request by any investor, addressed to GCC's Finance and Planning Department, at the principal executive offices located at Avenida Vicente Suárez y Calle Sexta S/N, Colonia Zona Industrial Nombre de Dios, C.P. 31105, Chihuahua, Chihuahua, Mexico, or at the telephone number +52 (614) 442-3217 or +52 (614) 442-3176, attention to Maik Strecker, or at the email investors@gcc.com.

2) The Issuer

2.a) History and development of the Issuer

Company information

Corporate name: GCC, S.A.B. de C.V.

Trade name: GCC

Corporate history: GCC is a publicly listed variable stock corporation incorporated in Chihuahua, Chihuahua, Mexico on June 14, 1991, in accordance with the applicable provisions of the General Law of Business Corporations (Ley General de Sociedades Mercantiles, or "LGSM") and the Mexican Securities Market Law (Ley del Mercado de Valores, or "LMV"). The duration of the company is 99 years from the date of incorporation.

The address and telephone numbers of GCC's corporate offices are as follows:

Avenida Vicente Suarez y calle Sexta s/n Zona Industrial Nombre de Dios

Chihuahua, Chihuahua, Mexico, C.P. 31110

Telephone numbers: +52 (614) 442-3100
+52 (614) 442-3217
+52 (614) 442-3176

Evolution of the Issuer

GCC has its origins in 1941 when Cementos de Chihuahua was incorporated. With its plant in the city of Chihuahua, Cementos de Chihuahua had an annual cement production capacity of 60,000 tons. In 1952 and 1967, Cementos de Chihuahua made two expansions to its production capacity.

In 1972, Cementos de Chihuahua began operating a cement plant in the city of Juarez, Chihuahua, and in 1974 the two-stage pre-heating and dust gathering systems for kilns 2 and 3 of the Chihuahua cement plant were installed, increasing GCC's annual production capacity to 420,000 tons.

In 1982, Cementos de Chihuahua added a new cement production line at the Chihuahua cement plant with the most advanced technology available. As a result, annual production capacity increased to 1.1 million tons.

In 1991, GCC was incorporated as a holding company and, in 1992, it sold 25.9% of its equity publicly and listed on the Mexican Stock Exchange to finance the construction of the cement plant in the town of Samalayuca, Chihuahua, located 35 kilometers south of the city of Juarez.

In 1994, GCC acquired a cement plant with an annual production capacity of 450,000 tons in Tijeras, New Mexico, located 20 miles east of Albuquerque, New Mexico. Later that year, it acquired two cement distribution terminals, one in Albuquerque, New Mexico and the other in El Paso, Texas.

In 1995, GCC began operations in the Samalayuca cement plant, which had an annual cement production capacity of 900,000 tons, placing GCC at the forefront in the use of technology for the production of cement.

On March 16, 2001, GCC acquired the cement assets and working capital of Dacotah Cement. This cement plant is located in Rapid City, South Dakota, and had an annual production capacity of approximately 1 million tons. With this acquisition, the Company increased its installed capacity of cement production to 3.3 million tons. In 2004, GCC increased the capacity in the Rapid City, South Dakota cement plant by approximately 10%, reaching an annual cement production capacity of 3.4 million tons.

In March 2005, GCC acquired the assets of Gallup Transportation and Transloading Company, LLC and National King Coal, LLC, which included a coal mine located in Durango, Colorado and a loadout facility lease. The coal mine had already been supplying the energy requirements of the cement plants in U.S.A. and Mexico. National King Coal, LLC changed its name to GCC Energy in October 2007, and it is GCC's own source of coal supply which ensures supply and stabilizes the fuel cost for cement production in most of the Company's plants.

In September 2005, GCC acquired an approximately 47.0% stake in SOBOCE, the largest cement company in Bolivia.

In January 2006, GCC acquired four leading ready-mix concrete companies in eastern South Dakota and western Minnesota. With these acquisitions, the Company strengthened its leadership position in the ready-mix concrete markets of South Dakota and surrounding regions. The acquired companies are now operating as Consolidated Ready Mix, Inc. (CRM).

In May 2006, GCC acquired all of the stock of The Hardesty Company, Inc. and Alliance Transportation, Inc. ("Alliance Transportation"), together better known as MidCo, the largest producer of ready-mix concrete in northeastern Oklahoma and northwestern Arkansas. The MidCo acquisition represented an expansion of GCC's U.S. presence and provided a foothold in these markets.

In January 2008, GCC acquired all of the assets of Alliance Concrete, Inc. based in northwest Iowa, Alliance Concrete, Inc. was the largest producer of ready-mix concrete in that region and provided access to an established market in a region close to GCC's plants and distribution terminals, thereby furthering its vertical integration. The acquisition of Alliance Concrete represented an important growth platform in the regions of South Dakota, Minnesota, Iowa and Nebraska. GCC also (i) acquired four cement distribution terminals in New Mexico, Colorado and North Dakota, (ii) completed the modernization and expansion of the distribution terminals located in Denver, Colorado and Brookings, South Dakota to improve its customer service in these markets and (iii) acquired all of the assets of The Bosshart Company, Inc. headquartered in Minnesota and one of the largest providers of ready-mix concrete in southwest Minnesota and also participated in northwest Iowa along with Alliance Concrete, Inc. The acquisition strengthened GCC's leadership position in these markets, furthered GCC's vertical integration, and improved the efficiency of the operations and customer service in these markets. Finally, to meet the growing demand for cement in the state of Colorado and the Rocky Mountain region in the United States, GCC completed the construction of a new cement plant in Pueblo, Colorado. This cement plant features state-of-the-art cement production technology and had an annual production capacity of 1.1 million tons, strictly observing the highest quality and environmental protection standards. This plant brought GCC's total annual production capacity to 4.4 million tons.

In 2009, GCC completed the construction of new plants for limestone aggregates, prefabricated concrete panels and dry blends in Samalayuca, Chihuahua. These plants allow GCC to meet the demands of customers for sophisticated blends for a variety of applications. In the same year, GCC also completed the modernization of Chihuahua's cement plant, strengthening the long-term cement grinding capacity and reducing production costs by increasing operating efficiency.

During 2010 and 2011, GCC expanded its ready-mix concrete production capacity and opened seven new cement distribution terminals in Iowa, Kansas, Minnesota, New Mexico and Oklahoma, which, coupled with its mobile ready-mix concrete plants, allows the Company to reach customers in neighboring markets.

In 2012, GCC installed two distribution terminals in Amarillo, Texas and Bismarck, North Dakota. These new distribution terminals and the portable ready-mix concrete plants allow the Company to reach a larger range of clients and to increase direct shipments to niche markets, including the oil drilling market in North Dakota and new mining projects in Chihuahua. Also in 2012, GCC expanded its production of ready-mix concrete and received a modification of the Pueblo, Colorado plant permit, increasing its annual cement production capacity in two phases, with an increase of approximately 1.07 million tons during the first phase and up to 1.18 million tons in the second phase. The first phase of this project was completed in 2012, bringing the annual cement production capacity to 4.5 million tons.

In 2013, GCC added two new mobile distribution terminals in Fruita, Colorado and Glendive, Montana. The Company also completed the renovation of the cement distribution terminal in Minot, North Dakota, which increased its distribution capacity.

In 2014, GCC opened a new portable distribution terminal in Sidney, Nebraska, and converted the distribution terminal in Lakeville, Minnesota from a temporary to a permanent distribution terminal.

In 2015, GCC began operating a new aggregates plant with a production capacity of 1.8 million tons annually in the city of Chihuahua. Also in 2015, GCC acquired a concrete plant in Wahpeton, North Dakota, strengthening its presence in the northern central part of the United States. In addition, GCC's Board approved the expansion of the Rapid City, South Dakota cement plant, increasing cement production capacity by 440 thousand tons per year.

In August 2016, the Company entered into an agreement to acquire certain assets of CEMEX's affiliates in the United States for US$306 million. The acquisition included a cement plant in Odessa, Texas with a capacity of 0.5 million tons per year; two cement distribution terminals in Amarillo and El Paso, Texas; the concrete, aggregates and building materials businesses in El Paso, Texas and Las Cruces, New Mexico (which includes ready-mix concrete plants, aggregates quarries, asphalt plants and centers for construction materials); approximately US$10 million in inventories; and distribution terminals in Amarillo, Texas (the BNSF Railway) and El Paso, Texas (the Union Pacific Railroad). The acquisition was intended to strengthen GCC's presence in key regional markets, enhance its ability to serve the industry efficiently, extend its presence in the west Texas markets (including the Permian Basin) and support its long-term growth strategy in the United States. GCC financed the acquisition with funds from a new US$253.5 million unsecured credit facility, which includes affirmative and negative covenants and events of default.

In September 2016, to simplify ownership and control of GCC, making it more transparent to investors, shareholders approved a corporate restructuring, which consisted of a merger of GCC, as the surviving entity, and two of the companies that directly or indirectly control GCC, CAMSA and Imin de México, as the merged entities. The merger became effective on September 28, 2016. As a result of the merger, CEMEX owned a direct stake in GCC equal to 23% of its share capital and a minority stake in CAMCEM, GCC's controlling shareholder, which holds approximately 51% of GCC's outstanding capital stock.

In February 2017, the price of the secondary offer of 51,750,000 GCC ordinary shares owned by CEMEX was set at Ps. 95.00 per share. This included 6,750,000 shares available for 30 days for underwriters of the overallotment offers. In March 2017, it was confirmed that the underwriters did not exercise their overallotment option and as a result CEMEX owned a direct stake in GCC equal to 9.47%, representing 31.48 million shares.

In September 2017, CEMEX sold to two financial institutions the full amount of the remaining direct equity interest in GCC, representing 31,483,332 shares and approximately 9.47% of GCC's stock, and entered into 18-month forward contracts on those shares.

In September 2018, CEMEX executed an early partial termination of the forward contracts related to GCC shares. The termination was for approximately 10.6 million GCC shares, representing approximately 34% of the forward contracts, allowing CEMEX to maintain price exposure on approximately 9.5% of GCC's shares.

In 2019, CEMEX executed a partial early termination on approximately 6.9 million shares, holding approximately 13.9 million GCC shares in forward contracts, corresponding to 5.12% of GCC's outstanding capital stock.

In June 2018, GCC and CRH plc. ("CRH") received regulatory approval by the FTC ("Federal Trade Comission") to conduct purchase-sale transactions for certain U.S. cement and ready-mix operations. By the end of June 2018, these transactions were completed and GCC acquired the Trident cement plant in Three Forks, Montana, with a production capacity of 315,000 metric tons, from CRH for US$107.5 million. Meanwhile, CRH acquired the majority of the ready-mix plants and transportation assets owned by GCC in Oklahoma and northwest Arkansas for US$118.5 million. GCC still owns and operates four ready-mix plants in the Fort Smith, Arkansas area, as well as a main plant site and an office building in Tulsa, Oklahoma, which is leased to CRH. With this transaction GCC strengthened its presence in existing markets and expanded its footprint into contiguous areas, including Canada.

In December 2018, the expansion of the Rapid City, South Dakota cement plant commenced, increasing its annual capacity by 440,000 metric tons. The expansion of the cement plant began in 2016, with an investment of approximately US$100 million. The tie-in of the new facilities was completed in November 2018; during the tie-in process of the new facilities, production was suspended in July 2018 and resumed in December 2018, followed by the stabilization process of the new facilities.

In October 2020, GCC made a strategic realignment to the U.S. ready-mix business, exchanging the last four non-integrated ready-mix plants located in the Fort Smith, Arkansas area for five ready-mix plants in the upper Midwest, which will be integrated into the cement supply from its Rapid City cement plant. Since the asset swap, all of GCC's ready-mix assets are integrated into its cement distribution network, creating additional synergies.

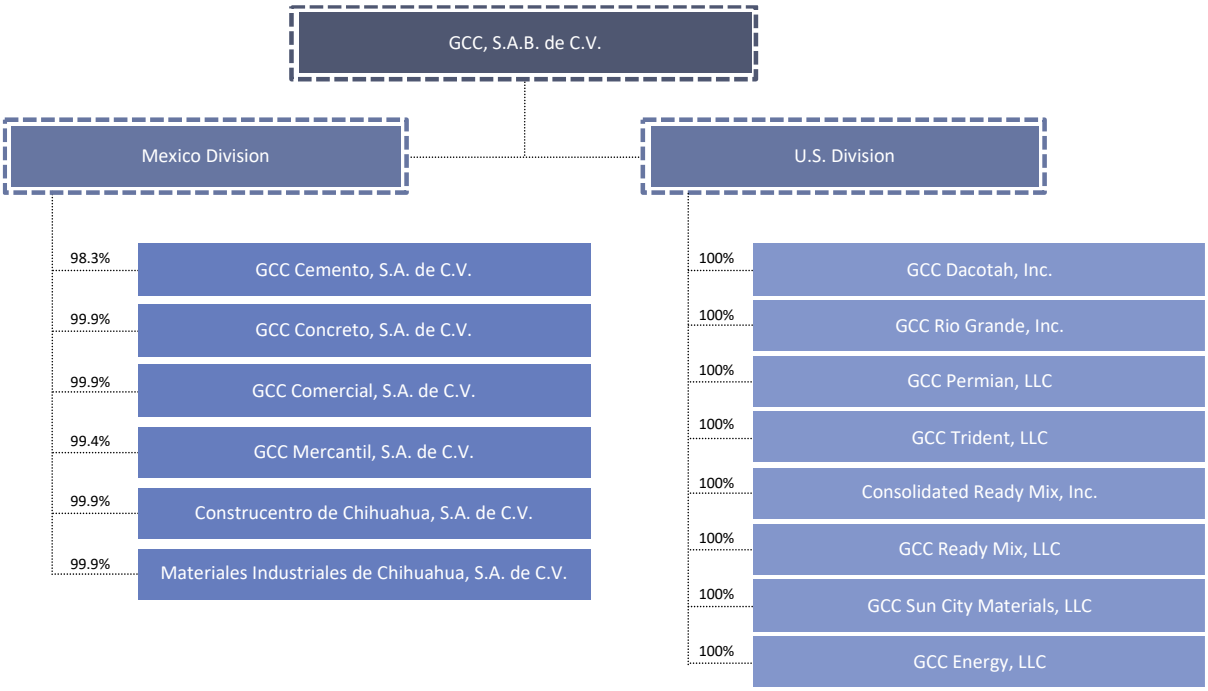
On March 23, 2021, the Board of Directors approved the change of the Company's name from Grupo Cementos de Chihuahua, S.A.B. de C.V. to GCC, S.A.B. de C.V. On the same day, the change was submitted to approval by the Company's Shareholders' Meeting. The minutes of the meeting were notarized that same day and registered in the Public Registry of Commerce of Chihuahua under the electronic mercantile file number 10313. Likewise, on March 8 of this year, a notice informing the change was sent to the National Banking and Securities Commission through the Securities Information Transfer System (STIV).

On August 3, 2022, GCC's Board approved the capacity expansion of the cement plant located in Odessa, Texas. The project will increase the annual cement production capacity by over one million metric tons and lower the plant's GHG intensity by 13%. As of December 31, 2022, this project represented an investment of approximately US$13 million and is expected to be completed in 2025.

In April 2023, GCC completed the debottlenecking project at the Samalayuca plant, increasing the annual production capacity by 200,000 metric tons. The project began in 2022 and represented a total investment of approximately US$34 million. Additionally, the construction of the new terminal north of Minneapolis was completed to strengthen GCC's position in the Minneapolis-Saint Paul area and ensure a distribution route for the additional capacity from Rapid City.

Corporate Structure

GCC is managed by two divisions, the Mexico Division and the U.S. Division. Set forth below is a diagram of GCC's main subsidiaries that comprise the operations of these divisions. Additionally, a team provides administration, engineering, technology management, planning, human resources, finance and information technology services to both divisions.



The following table shows the Company's main investments in million dollars.

Concept	**2023**	**2022**	**2021**
Expansion of Odessa, Texas cement plant	67	8	0
Modernization and automation of cement plants	55	45	26
Transportation equipment	17	16	12
Debottlenecking at Samalayuca plant	13	17	4
Coal mine	5	8	5
Solar panels	3	0	0
Property and land	3	2	3
Information systems equipment	1	1	2
Expansion of Rapid City, SD cement plant	0	0	1
Total	**163**	**96**	**52**

2.b) Business description

2.b.i) Main activity

The core business of the Company is the production and supply of gray Portland cement, ready-mix concrete, aggregates and other construction-related services.

Cement is a fine material powder with hydraulic, aesthetic and durability properties that are very useful for the construction industry. In addition, cement acts as a binding agent which when mixed with aggregates and water produces ready-mix concrete. Concrete is one of the most attractive construction materials because of its great compressive strength and its shape-ability. Aggregates are geological materials in the form of stone, sand or gravel which are essential for the manufacturing of concrete, mortar and asphalt.

Description of the cement production process

Cement, commonly known as Portland cement, is produced from clinker, which is created when raw materials such as iron ore, silica, clay and limestone are dried, grounded and mixed into a fine powder. This powder is heated in revolving kilns at a temperature of 1,450°C (2,642°F) to trigger the chemical reactions that bind cement. There are two primary processes used to manufacture cement: the "dry process" and the "wet process." These processes differ in the form in which the raw materials are fed into the kiln and the amount of energy consumed. In the dry process, the raw meal is fed into the kiln in the form of a dry powder, whereas in the wet process the raw meal is fed into the kiln in the form of slurry. GCC manufactures cement using the dry process in all of its plants, except for the Trident Montana cement plant. The dry process is more fuel-efficient than the wet process since the dry process does not require water and consumes less energy per produced ton. According to the PCA, the dry process is the most modern and common way to manufacture cement. 95% of GCC's cement production capacity operates with the dry process which consists of five key steps described below:

Extraction and crushing of raw materials

Limestone, clay, gypsum and other raw materials, including silica, magnetite, hematite and ignimbrite, are extracted from natural deposits and crushed to reduce their size. GCC's cement plants are located next to the Company's main deposits of these materials, and it owns all the limestone and most of the clay quarries and leases some of the gypsum quarries that supply the Company's operations. GCC purchases other raw materials from independent suppliers considered to be reliable, with some of which it has long-term agreements or is in the process of negotiating such agreements. Most suppliers provide materials exclusively to GCC.

Homogenizing raw materials

The raw materials are fed and sent through a mill, which dries and grinds them to the required degree of fineness. The resulting product, referred to as raw mix, is stored in a homogenizing silo to ensure the uniformity of the mix components and is available to continuously feed the plant kiln.

Calcination

In a process referred to as calcination, the raw mix is then heated in revolving kilns at a temperature of around 1,450°C (2,642°F), which leads to the synthesis of new material with hydraulic properties known as clinker. On leaving the kiln, the clinker is air-cooled rapidly down to 150°C (302°F) to stabilize the mineralogical property necessary for transport. To take advantage of the heat energy of the gases resulting from the calcination, these gases are conducted to the preheater/kiln system where the raw mix is suspended, carrying out efficient heat exchange, partially calcinating the material while preparing it for later conversion to clinker in the kiln. Additionally, a part of these gases is used to dry the raw mix in the raw mill.

All of GCC's cement plants are prepared to use at least one of the following fuels for their process: coal, natural gas or alternative fuels as their main energy sources. GCC commonly supplies coal to all of its operations from its mine in Colorado in the U.S., with the exception of the plants located in Rapid City, South Dakota, and Trident, Montana, for which there are coal suppliers located in the states of Wyoming and Montana, respectively. The Odessa, Texas plant is currently 100% fueled by natural gas.

GCC's cement plants have the flexibility to use different types of energy, thus reducing exposure to fluctuations in fuel prices and increasing the profitability of cement operations. In addition, the 3 plants in Mexico and the plants in Pueblo, Colorado and Rapid City, South Dakota use alternative fuels from industrial waste co-processing, biomass and shredded tires.

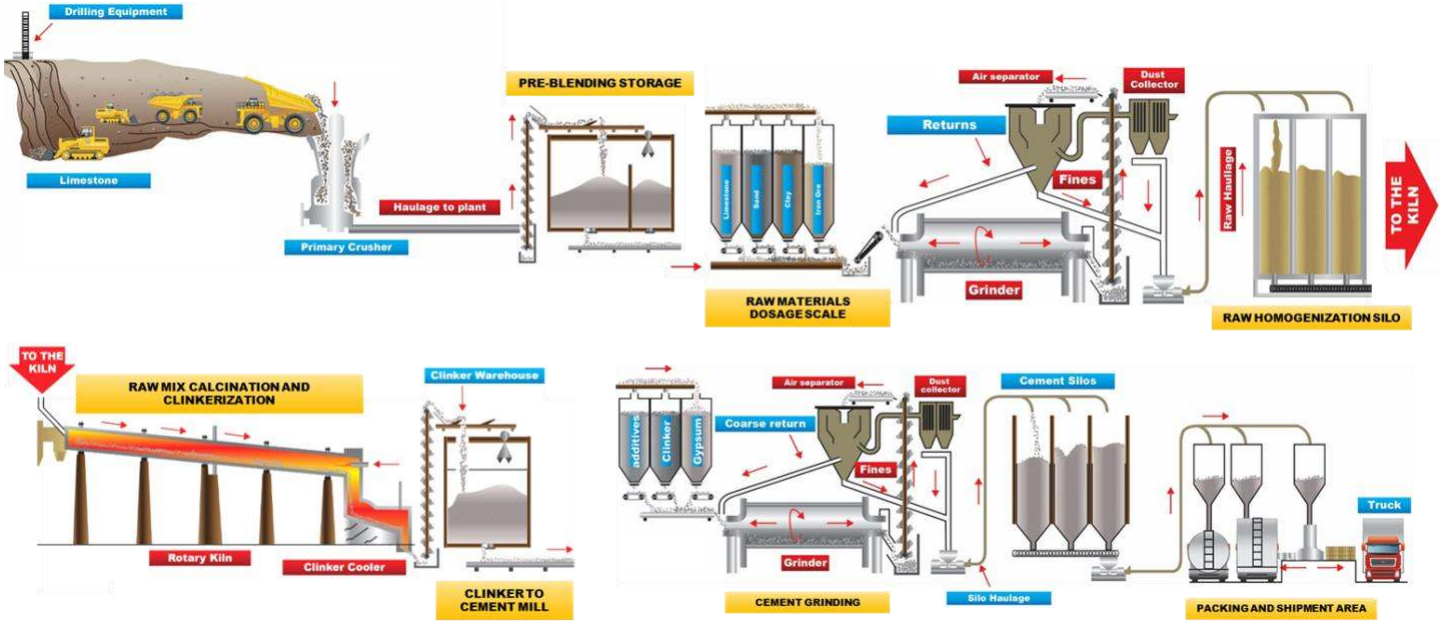
Milling

In the cement mills, automatic scales are used to dose clinker and gypsum to control the cement setting time. The grinding is initially done by impact, allowing the material to be crushed, and subsequently, friction is used to obtain the required fineness.

Packaging and shipping

The different types of cement are then stored in separate silos to prevent mixing. The cement is shipped to the client from the silos, either in bulk by truck or rail or in bags of different sizes. In the United States, GCC maintains cement inventories at plants and distribution terminals and tends to produce cement in lower selling seasons to build up inventories for the months of higher sales volumes.

The process described can be seen in the following diagram:



Sales distribution by business line

GCC's sales by business line for the years 2023, 2022 and 2021, expressed in thousands of dollars, were as follows:

Business line	2023		2022		2021	
	Sales	%	Ventas	%	Sales	%
Cement and mortar	894,862	66%	836,895	72%	719,599	69%
Concrete	271,193	20%	218,606	19%	194,000	19%
Concrete block	23,495	2%	17,514	1%	15,081	1%
Aggregates	33,493	2%	25,295	2%	21,415	2%
Other	140,874	10%	70,009	6%	88,709	9%
Total	**1,363,917**	**100%**	**1,168,319**	**100%**	**1,038,804**	**100%**

2.b.ii) Distribution channels

In Mexico, GCC sells approximately 24% of its cement in bags, its main distribution channel is a network of independent distributors in the state of Chihuahua and the Company's distributor, Construcentro de Chihuahua, S.A. de C.V., a subsidiary of CDC. Bulk cement is sold by direct distribution to customers, such as producers of ready-mix concrete, block and other products. In this market segment, the mining sector in the State of Chihuahua represents a significant percentage.

In the U.S., bulk cement represents approximately 99.8% of GCC's total cement sales and is distributed directly to customers through an efficient system of distribution terminals located in the states of Colorado, North Dakota, South Dakota, Iowa, Minnesota, Montana, New Mexico, Texas, Utah and Wyoming. Likewise, bagged cement is mainly sold through independent wholesale distributors.

2.b.iii) Patents, licenses, trademarks and other agreements

GCC owns the trademark rights in Mexico and the U.S. that give it visibility in the markets in which it participates:

- GCC
- Cemento Chihuahua
- Dacotah Cement
- GCC Cemento
- GCC Rio Grande
- Fraguamax
- Mortermix
- Mortero Chuviscar
- Megablock
- Construred

The aforementioned brands are the most relevant and are continuously renewed to maintain their validity. In 2023, the GCC, Fraguamax and Mortero Chuvíscar brands were renewed, while no significant renewals are expected for 2024. GCC holds patents in the United States and Mexico that protect the production process of precast products with certain thermal insulation properties and ecological features.

GCC does not have any material agreements other than those relating to the normal course of business.

2.b.iv) Main customers

The Company has a large customer base in Mexico and the U.S., therefore, GCC's sales are not dependent on a single customer, nor are they concentrated in one customer group, furthermore if any business relationship is lost, it will not result in a material adverse effect on GCC's results of operations or financial condition.

In the United States, GCC's main customers purchase cement in bulk mostly for concrete and concrete block production, and contractor enterprises for the road sector as well as for oil wells located in the geographic region that GCC supplies. Below is the analysis by customer subsegment for 2023 sales:

U.S. subsegments	%
Concrete	65%
Oil wells and mining	21%
Precast, prestressed and block	4%
Distributors / packers	4%
Paving	3%
Ground stabilization	2%
Contractors and other	1%
Total	**100%**

In Mexico, GCC has a broad customer base in all its lines of business and has a majority share of the cement market in Chihuahua state. GCC's main customers in Mexico in this segment are distributors, construction companies, concrete block producers, manufacturers, the state government, municipal governments and the mining industry. Below is the analysis by customer subsegment for 2023 sales:

Mexico subsegments	%
Construred / Distributors	28%
Construction companies	26%
Mining	14%
Exports	10%
Housing	8%
Manufacturers	6%
Government and infrastructure	5%
Agriculture	3%
Total	**100%**

2.b.v) Applicable legislation and tax situation

GCC's operations and business are subject to several laws and regulations, as well as authorizations, concessions and governmental permits. More specifically, GCC, its properties and operations are subject to the following laws and regulations in Mexico:

- Political Constitution of the United Mexican States (*Constitución Política de los Estados Unidos Mexicanos*) and international treaties involving the Mexican government
- General Law of Business Corporations (*Ley General de Sociedades Mercantiles*, "LGSM")
- Mexican Securities Market Law (*Ley del Mercado de Valores*, "LMV")
- Code of Commerce

- Civil Code of the State of Chihuahua (*Código Civil del Estado de Chihuahua*)
- Federal Fiscal Code (*Código Fiscal de la Federación*)
- Chihuahua Fiscal Code (*Código Fiscal de Chihuahua*)
- Value Added Tax Law (*Ley del Impuesto al Valor Agregado*)
- Customs Law (*Ley Aduanera*)
- Income Tax Law (*Ley del Impuesto Sobre la Renta*)
- Federal Law of Economic Competition or Mexican Antitrust Law (*Ley Federal de Competencia Económica*)
- General Law of Environmental Balance and Protection and its regulations (*Ley General de Equilibrio Ecológico y Protección del Ambiente y su reglamento*)
- General Law for the Prevention and Integral Management of Waste (*Ley General para la Prevención y Gestión Integral de Residuos*)
- Mining Law (*Ley de Minería*)
- Federal Labor Law (*Ley Federal del Trabajo*)
- Social Security Law (*Ley del Seguro Social*)
- Law of the National Workers' Housing Fund Institute (*Ley del Instituto del Fondo Nacional de la Vivienda para los Trabajadores*)
- Local and municipal regulations on the environment, land use, zoning and tax legislation and their rules
- Mexican Official Standards ("*Normas Oficiales Mexicanas*", or "NOMs")

Currently, GCC is in compliance with its tax obligations promptly.

2.b.vi) Human resources

As of December 31, 2023, there were 3,287 employees at GCC, which decreased to 3,275 by March 31, 2024.

In the cement, concrete and transportation operations in Mexico, there are unions affiliated with the Mexican Workers Confederation, both at local and national levels. Each plant has its collective bargaining agreement, which is reviewed every two years for benefits and wages, and annually for salaries.

In the Odessa plant, some of the employees are affiliated with the United Cement, Lime, Gypsum and Allied Workers Division, Boilermakers International Union, whose collective bargaining agreement was last negotiated in 2023 and will be negotiated again in 2027. Some of the employees at the Rapid City plant are affiliated with the United Steel, Paper & Forestry, Rubber, Manufacturing, Energy, Allied Industrial & Service Workers International Union. The collective bargaining agreement with employees at this plant includes a no-strike clause. The agreement was last negotiated in 2022 and will be negotiated again in 2025. In addition, at the Trident plant, we have a collective bargaining agreement with the *Cement, Lime, Gypsum and Allied Workers Division International Brotherhood of Boilmakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers,* which was last renewed in 2022 and will also be negotiated again in 2025.

GCC maintains a positive relationship of collaboration and teamwork with its unions and employees aiming at the development and improvement of the quality of life of its workers through common objectives aligned with the Company's business vision.

2.b.vii) Environmental performance

GCC seeks the transcendence of the company by maintaining the essential balance between economic, social and environmental objectives. To achieve this, GCC focuses on the implementation of global best practices related to sustainability throughout the organization.

As part of its commitment to contribute to the continuous improvement of communities in which it operates, GCC focuses on identifying, preventing and controlling the environmental effects of its processes through an environmental management system and disciplined compliance with environmental regulations applicable to the Company's processes.

The strategic plan is focused on the following objectives to ensure the success of the Company's sustainability:

Climate change and energy

- Reduction of greenhouse gas (CO2) emissions
- Utilization of cleaner fuels
- Energy optimization through lower heat and power consumption
- Blended cement production
- Search and introduction of alternative energy sources
- Feasibility studies for research and early adoption of carbon capture technology

Circular economy

- Increase the use of alternative fuels
- Increase the use of alternative materials

Environment and nature

- Compliance with environmental regulations
- Excellence in environmental stewardship
- Reduce other emissions (dust, NOx, SOx)
- Eco-efficiency, lower water consumption
- Quarry remediation (soil and environmental restoration)
- Reforestation through nurseries
- Integrated waste management
- Development of environmentally friendly products

GCC consolidates a sustainable operation in the value chain based on prevention, control and improvement, as well as on minimizing the environmental and social impacts of its processes. In 2018, GCC joined the GCCA, which in collaboration with the World Business Council for Sustainable Development, seeks to facilitate the sustainable development of the industry by improving the social and environmental impact of the sector's activities. GCCA's commitments are based on five pillars: health and safety, climate and energy, social responsibility, environment and nature, and circular economy.

As a demonstration of GCC's commitment to the environment, the use of alternative fuels in its cement plants has been maintained. In 2023, fuel substitution was: 38% in Juarez, 24% in Pueblo, 10% in Samalayuca, 3% in Chihuahua, and 2% in Rapid City. The substitution rate reached in the Samalayuca and Chihuahua plants is the result of the execution of the Organic Fraction of Waste for Energy Efficiency (FROEE) project which consists in the characterization, re-definition, and acquisition of industrial, commercial and/or domestic solid waste, and its preparation and processing, to be mixed through an appropriate process.

Furthermore, in 2019, GCC signed a long-term agreement with renewable energy suppliers, covering all the electricity consumed in the operations of the Odessa, Texas plant. In 2020, GCC signed a long-term agreement for renewable energy supply, covering approximately 50% of the electricity consumed in the Rapid City, South Dakota cement plant. These agreements translate into an annual reduction of about 116,000 metric tons of CO2, according to U.S. Environmental Protection Agency estimates. In addition, approximately 87% of the electricity consumed at the plant in Trident, Montana, comes from alternative sources. During 2023, 19% of the electricity consumed by GCC's operations came from renewable energy sources.

In January 2020, GCC joined the SBTi by which it commits to setting targets for reducing GHGs, in line with climate science and aligned with the ambition of the Paris Agreement. Furthermore, the targets are in line with the level of decarbonization required to keep global temperature increase well below 2 degrees Celsius compared to pre-industrial temperatures, as described in the latest special report of the Intergovernmental Panel on Climate Change (IPCC).

In January 2021, as an active member of the GCCA, GCC came together with the global industry to state a collective ambition for carbon-neutral concrete by 2050 to meet the global climate challenge. GCCA members are working in partnership with a range of stakeholders such as policymakers, governments, investors, researchers, and end-users to set an achievable road map that meets global expectations and drives the appropriate response in taking climate action.

Reinforcing GCC's commitment to the environment, in January 2022, the Company issued a sustainability linked bond (SLB) aligned with the Sustainability-Linked Bond Principles leveraging a core, relevant and material sustainability performance target such as CO2 intensity reduction, calculated as specific gross kilograms of CO2 (scope 1) emissions emitted per ton of cementitious material, by 30.7% reduction from the 2015 baseline by the end of 2030. This target was validated by the SBTi in January 2023. GCC is committed to reducing GHGs through energy optimization, increasing the use of renewable sources and reducing its consumption of traditional fuels, as well as producing blended cement which have a lower clinker factor.

Additionally, GCC seeks to reduce specific scope 2 emissions by 57% per ton of cementitious material, respectively, by 2030, compared to 2015, and commits to reduce absolute scope 3 GHGs emissions from the use of products sold by 37.5% in the same period. Both targets were validated by the SBTi in January 2023. This reflects the Company's commitment to keep the global temperature increase well below 2 degrees Celsius based on the Paris agreement.

As an example of GCC's efforts in social responsibility and sustainable development to conserve the environment, the following are the recognitions and certifications obtained by its main business units:

GCC Mexico Division

- Award as a Socially Responsible Company (Distintivo de Empresa Socialmente Responsable, "ESR") granted by the Mexican Center for Philanthropy (Centro Mexicano para la Filantropía, CEMEFI), for the eighteenth year in a row
- Certified System for Workplace Safety and Health (Certificación del Sistema de Seguridad y Salud en el Trabajo, SASST) in accordance with NMX-SAST-001-IMNC-2008, since 2006
- An award granted by the Ministry of the Environment and Natural Resources (Secretaría del Medio Ambiente y Recursos Naturales, SEMARNAT) in recognition of the public inventory of GHGs for its operations since 2004

GCC Cemento - Samalayuca Plant

- Certificate of verification of GHG calculation 2021 by Addere for the pilot test of emissions trading in Mexico

GCC Cemento - Chihuahua Plant

- Certificate of verification of GHG calculation 2021 by Addere for the pilot test of emissions trading in Mexico

GCC Concreto

- NMX-414-ONNCCE-200 certificates for product quality (concrete, block and brick)
- NMX-CC-9001-IMNC-2008 / ISO 9001:2008 certificate for the Concrete Quality Management System
- NMX-EC-17025-IMNC-2006 certificates for lab-quality granted by the Mexican Accreditation Organization (EMA)
- A family of products including those with thermal and sustainable features, and which support the green mortgage program by INFONAVIT (blocks and bricks manufactured with thermal-pumicite concrete) and LEED certification by the USGBC (reflectance index)

GCC Transporte

- Award for Clean Transportation certified by SEMARNAT (2017 Juarez among the top 20 throughout Mexico and 2017 Chihuahua)

GCC Rio Grande - Pueblo Plant

- 2023 ENERGY STAR award from the EPA

GCC Rio Grande - Tijeras Plant

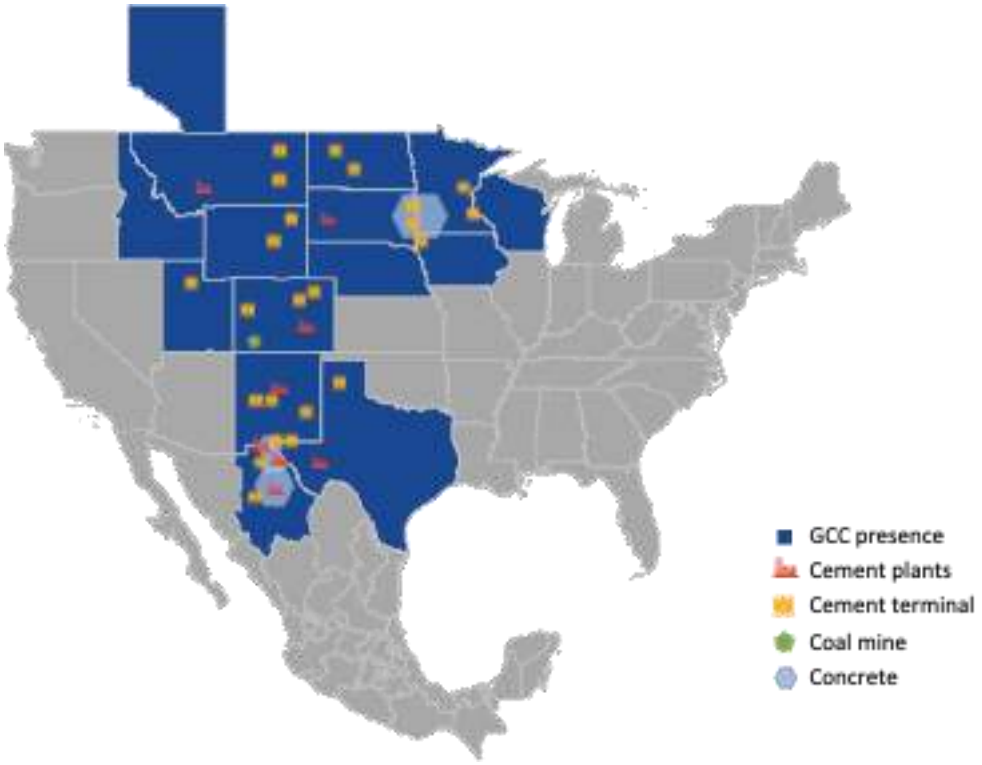
- 2018 ENERGY STAR award from the EPA

GCC Dacotah - Rapid City Plant

- 2023 ENERGY STAR award from the EPA

2.b.viii) Market information

The following map shows GCC's operations in the United States, Mexico and Canada:



United States	Mexico
• Cement: 5 plants	• Cement: 3 plants
• Concrete: 49 plants	• Concrete: 46 plants
• Coal mine: 1	• Concrete block: 6 plants
• Cement terminals: 23	• Prefabricated products: 2 plants
• Asphalt: 3 plants	• Aggregates: 4 plants
• Aggregates: 6 plants	• Distribution centers: 2
• Construction materials: 1	

GCC's Operations in the United States

In the United States, GCC successfully participates in the cement and ready-mix concrete markets. In 2023, 69% of the Company's income was generated by sales in the USA. GCC has five cement plants with an annual production capacity of 3.5 million tons located in Odessa, Texas; Tijeras, New Mexico; Pueblo, Colorado; Rapid City, South Dakota; Trident, Montana. In addition, GCC has 23 cement distribution terminals and transfer stations in the states of Colorado, North Dakota, South Dakota, Iowa, Minnesota, Montana, New Mexico, Texas, Utah and Wyoming.

GCC is one of the leading ready-mix concrete producers in its U.S. markets, which include: North Dakota, South Dakota, Iowa, Minnesota, New Mexico and Texas. All together, these operations have 49 concrete production plants and a fleet of 298 ready-mix trucks as well as 161 trucks for cement and aggregates transportation.

GCC participates in the asphalt and aggregates markets in Texas, New Mexico and South Dakota. The Company has 3 asphalt plants installed in El Paso, Texas and in Vado, New Mexico. Additionally, GCC operates 6 aggregates plants.

Cement industry in the U.S.

The cement industry in the United States consists of multiple producers, and 77% of clinker production installed capacity is concentrated in nine cement groups. According to the USGS, in 2023 total cement consumption was 120 million tons, with average capacity utilization of 77%. Import volume was 26 million metric tons, an 8.3% increase compared to 2022, the highest import volume since 2009 when it decreased by 40% as a result of the decline in cement demand in the country.

By data published by the PCA in 2023, 35% of total cement consumption in the United States was made by residential construction, 23% by non-residential construction, and the remaining 42% by the public sector construction. During the same period, in the states where GCC has its principal operations, including Colorado, North Dakota, South Dakota, Iowa, Montana, Minnesota, New Mexico and Wyoming, the residential construction, non-residential and public sector construction segments represented 30%, 30% and 40% of total cement consumption, respectively.

Prices

U.S. cement prices vary within each region due to offer and demand dynamics, as well as the distance from the distribution and import ports. Prices are also subject to variations resulting from fluctuations in regional economies as well as the country as a whole.

Market information and competitive advantages

GCC participates in the U.S. cement markets, primarily in the states of Colorado, North Dakota, South Dakota, Iowa, Idaho, Minnesota, Montana, Nebraska, New Mexico, Texas, Utah, Wyoming and the province of Alberta in Canada. To maintain GCC's market position it is essential to provide excellent customer service and quality that exceeds the customers' expectations, having distribution centers close to major customers and technical support centers.

In the U.S.A., GCC primarily competes with Holcim, CEMEX, Eagle Materials, Heidelberg Materials, CRH, Salt River Materials Group, Buzzi Unicem and Summit Materials in all industries. Potential cement competitors in the U.S. face several market barriers to entry including, among others: land transportation costs, the high capital investment required for new plants, difficulties in obtaining construction permits for new plants and expansions, stringent environmental regulations, and time required to complete plant construction, which is approximately 3 years, after obtaining the environmental permits.

GCC operates in the ready-mix concrete markets in the U.S., primarily in North Dakota, South Dakota, Iowa, Minnesota, New Mexico and Texas. In addition, GCC operates in the asphalt and aggregates markets in Texas, New Mexico and South Dakota. GCC's competitors in the ready-mix concrete, asphalt and aggregates businesses are independently owned local companies. Furthermore, in the aforementioned segments, GCC holds an estimated market share between 30% and 40% in its relevant markets.

Ready-mix industry in the U.S.

Ready-mix concrete's versatility and durability have made it the most widely used material in the construction industry. In the United States, the concrete industry is highly fragmented and has a wide variety of players. According to the National Ready Mixed Concrete Association (NRMCA) figures, there are approximately 6,800 concrete plants and 70,000 ready-mix trucks in the United States and the concrete industry consumes about 75% of cement in the U.S. and is worth approximately US$48 billion. GCC currently participates in the ready-mix market in the states of North Dakota, South Dakota, Iowa, Minnesota, New Mexico and Texas.

Asphalt industry in the U.S.

Asphalt concrete mixtures are used in the construction of roads, avenues, highways, airstrips, parking lots, etc. Based on figures published by the NAPA, around 3,600 asphalt plants are operating throughout the United States, producing more than 400 million tons of asphalt for paving every year.

According to the Federal Highway Administration (FHWA), there are more than 4.1 million miles of public roads in the U.S., of which 1.3 million are unpaved roads. Around 1.9 million miles are roads built and operated by state or municipal agencies, with no follow-up by the Federal Agency. Of the remaining 932,000 miles of paved roads, around 780,000 miles are asphalt-paved and 53,000 are concrete-paved. Approximately 80% of the runways of the 3,330 airports listed in the Federal Aviation Agency (FAA) National Plan of Integrated Airport Systems (NPIAS) have asphalt-bearing surfaces.

As for the origin of resources, 65% of the asphalt pavement comes from government resources, while the remaining 35% is funded by residential and commercial developments. For every billion dollars that the government invests in infrastructure, approximately 4 to 5 million tons of asphalt pavement are used.

Aggregates industry in the U.S.

Natural aggregates – consisting of crushed materials and construction sand and gravel – are the raw materials most widely used by the construction industry. Despite the low unit value, the aggregates industry is a major contributor to and indicator of the economic wellbeing of the Nation.

According to the USGS, natural aggregates account for 94.4% of the materials used in the construction of interstate highways, while cement, asphalt and steel contribute with 3%, 2.2% and 0.4%, respectively. In 2023, approximately 2,420 million metric tons of aggregates were produced in the country, a 2% decrease compared to 2022. This figure is made up of two categories: 920 million metric tons of construction sand and gravel; and 1,500 million metric tons of crushed materials.

The USGS estimated that around 43% of construction sand and gravel is used to manufacture concrete, 25% for road base and ground stabilization, 12% as asphaltic concrete and other bituminous mixtures and the remaining 20% for several uses such as backfill, block production, filtration, golf course maintenance, gypsum and oil sands, railway ballast, road stabilization, roofing granulate and snow and ice control. Regarding crushed materials, 70% are used by the construction industry, mainly for road construction and maintenance, 20% for cement production, 7% in lime production, 1% in the agriculture sector and the rest is used by other industries, such as the chemical sector.

Around 10,000 aggregates plants are operating in the U.S. The states with the largest production are Texas, California, Florida, Ohio and Pennsylvania.

GCC's operations in Mexico

In 2023, GCC's sales in Mexico represented 31% of total sales. In Mexico, GCC participates mainly in the cement, mortar, ready-mix concrete, concrete block and aggregates markets in the state of Chihuahua. GCC has three cement plants in the cities of Chihuahua, Juarez and the town of Samalayuca with a total annual production capacity of 2.5 million tons; 46 ready-mix concrete plants, 283 ready-mix trucks, 6 concrete block plants, 4 limestone aggregates plants in the cities of Chihuahua, Juarez, Samalayuca and Cuauhtemoc, as well as 2 prefabricated products plants in

Samalayuca, Chihuahua.

The modernization of the plant in Chihuahua was completed in 2009 and this ensured a long-term capacity for cement grinding while reducing production costs. During the first half of 2009 the plant for prefabricated panels in Samalayuca, Chihuahua started operations, allowing the successful application of cellular concrete technology. Also, it complements the current capabilities of Preforte which include manufacturing joists and beams for prefabricated roofs without movable formwork as well as hollow slabs, beams and girders for bridges and buildings. Additionally, during the first half of 2009, the dry mix plant located within the Samalayuca plant started operations. This plant has an annual capacity of 79,000 metric tons, equivalent to more than 4,500 bags per shift; it serves to satisfy the increasing demand of customers interested in sophisticated blends with a variety of uses.

Cement Industry in Mexico

There are six main participants in the cement industry in Mexico: CEMEX, Holcim Mexico, Cementos Moctezuma, Cemento Cruz Azul, Cementos Fortaleza and GCC. According to the latest figures published by the Mexican Chamber of Cement (*Cámara Nacional del Cemento*, CANACEM), cement production for the twelve months ended September 2022 was around 44 million tons. Due to the constant modernization of plants, the Mexican cement industry is one of the most competitive in terms of cost.

In Mexico, a significant percentage of cement sales are made through distributors and hardware stores, which is why it is essential to have an efficient distribution network to carry out these sales, destined for the builder and the self-constructing customer.

Cement is sold mainly through distributors while the rest is sold through ready-mix producers, manufacturers of concrete products and construction contractors. Cement sold through distributors is mixed on-site with aggregates and water by the final consumer to make concrete. Ready-mix concrete producers pre-mix concrete ingredients at their ready-mix concrete plants and deliver it to local construction sites through mixer trucks, which transport and pour the concrete directly at the job site. Unlike more developed economies, where cement sales are concentrated in bulk commercial and industrial orders, bagged sales in Mexico represent a large percentage of demand in the private sector. Retail consumers purchasing bags of cement for their homes and other basic construction jobs represent an important component of the Mexican retail sector.

Ready-mix concrete industry in Mexico

The ready-mix concrete industry in Mexico is in development, with five main companies participating: CEMEX, Holcim México, Cementos Moctezuma, Cemento Cruz Azul, and GCC. In the state of Chihuahua, approximately 34% of the volume of cement is sold as ready-mix concrete. In 2023, the ready-mix concrete market in the state of Chihuahua consumed approximately 1.5 million cubic meters of concrete, with the largest concentrations in the cities of Chihuahua and Juarez. Contrary to what happens in the cement industry, there are no market entry barriers in the ready-mix concrete industry since it is possible to install mobile plants with a relatively low investment.

Aggregates industry in Mexico

Aggregates are granular materials such as sand, gravel or crushed stone used as a binding agent and composite material to produce concrete, mortar or asphalt. These materials are of great importance both for public and private construction. They have a variety of uses and possess different characteristics, such as chemical composition, calcium carbonate content, grading, gradation by particle size, and color. The latter is a very important element in the processing area for product finishing. The main customers for aggregates are builders, developers, concrete and asphalt producers, and processors. GCC participates in the aggregates industry in the state of Chihuahua, where despite the absence of high barriers to entry, there is a low concentration of competitors. Currently, this market has moderately high demand and a positive outlook for the coming years.

Prices

Prices within the industry vary from one region to another. Factors influencing prices include supply and demand, economic activity, plant location, accessibility to raw materials, and the flexibility of the plants in terms of fuel consumption.

Market information and competitive advantages

In Mexico, GCC participates in the cement, concrete and other construction materials markets in the state of Chihuahua.

In Chihuahua, GCC is the leader in all of the businesses in which it participates (cement, mortar, ready-mix concrete, aggregates and concrete block). This leadership position has been achieved by offering quality products and providing customer service that exceeds customers' expectations, as well as by having the highest technology in the production and distribution processes of the products offers.

In the State of Chihuahua, GCC's main competitor in the cement and concrete markets is Holcim Mexico. GCC's potential competitors in the domestic cement market face several entry barriers, including the need for large capital investments, the time required to build new plants, which is approximately three years, the high ground transportation costs, and the slow and expensive process associated with establishing a distribution network.

Since approximately 24% of the cement in Chihuahua state is sold in bags, one of GCC's main competitive advantages is consumer loyalty to the "Cemento Chihuahua" brand, which has strong roots in the community. In addition, the quality of GCC's raw materials allows it to offer a low-alkali cement that avoids alkali reaction when exposed to changes in climate and humidity and consequently prevents the long-term formation of cracks in concrete.

Unlike cement, there is greater competition in the ready-mix and block market due to the difficulty of entering the cement industry because of the required investment. GCC's success factors in market penetration are based on the high quality of its products, the specialized services it provides and its reliability of timely delivery to consumers.

GCC has been successful in the manufacture and marketing of concrete blocks, and its plants are equipped with high technology that has enabled the introduction of new presentations.

2.b.ix) Corporate structure

Refer to "General Information - Executive Summary" in section 1.b. for a full description of the corporate structure of the Company.

As of April 30, 2024, the total number of shares representing GCC's capital stock is 337,400,000 of which 9,806,822 shares are held in GCC's treasury, thus there are 327,593,178 shares outstanding. CAMCEM owns 171,658,588, representing 50.9% of GCC's capital stock. The remaining 155,934,590 shares, equivalent to 46.2% of GCC's capital stock, are distributed among the market.

As of the date of this report, GCC has 40 subsidiaries. GCC's significant subsidiaries, for both the Mexico and U.S. divisions, are shown in the chart included in Section 2.1 of this report.

2.b.x) Main assets

GCC's most important fixed assets are its cement, concrete, concrete block and aggregates production plants, as well as its buildings.

Cement manufacturing plants

Plant	Location	Annual cement production capacity (tons)	Capacity utilization in 2023
U.S.A.			
Tijeras Plant	New Mexico	436,000	86%
Rapid City Plant	South Dakota	1,159,000	79%
Pueblo Plant	Colorado	1,102,000	74%
Odessa Plant	Texas	507,000	89%
Trident Plant	Montana	370,000	64%
	Total U.S.A.	**3,574,000**	**78%**

Plant	Location	Annual cement production capacity (tons)	Capacity utilization in 2023
MEXICO			
Chihuahua Plant	Chihuahua	1,113,000	75%
Samalayuca Plant	Chihuahua	1,198,000	86%
Juarez Plant	Chihuahua	168,000	90%
	Total Mexico	**2,479,000**	**81%**
Total cement production capacity		**6,053,000**	79%

Refer to section 2.a) “History and development of the Issuer” for more information on the age of each plant.

Additionally, at the end of 2023 the plants did not have any impairment that could interrupt their operations, and their operation is appropriate to generate cash flow.

Concrete manufacturing plants

Country	Number of plants
Mexico	46
U.S.A.	49

Concrete block manufacturing plants

Cities	Number of plants
Mexico	
Chihuahua	2
Juarez	4

Precast products manufacturing plants

Cities	Number of plants
Mexico	
Juarez	2

Additionally, GCC has approximately 972 mixer trucks and haul trucks in Mexico and the U.S.

Insurance

GCC has insurance policies with a variety of insurance companies for its production plants, including machinery and transport equipment. GCC's insurance policies are in force and the Company considers that the terms and conditions are appropriate and similar to those contracted by other companies in the same or similar industry.

Assets granted as collateral

GCC has no fixed assets granted as collateral.

Asset investments

GCC made capital investments for US$163.5, US$96.4 and US$51.5 million in 2023, 2022 and 2021, respectively, mainly in the expansion of the Odessa plant and the preservation, maintenance and modernization of its cement plants, as well as the acquisition of transportation equipment and trucks for freight, the debottlenecking project at the Samalayuca plant and concrete manufacturing and distribution.

2.b.xi) Legal proceedings

As of the date of this report, GCC is not subject to any proceeding set forth in Articles 9 or 10 of the *Ley de Concursos Mercantiles* (Mexican Bankruptcy Law).

Other than the matters described below, GCC is a party to legal proceedings that it considers routine and incidental to its business. The Company does not expect the results of any of these routine actions to have a material adverse effect on its operations, the results of operations or financial condition.

Sale of SOBOCE

In September 2005, GCC acquired an approximate 47.0% stake in SOBOCE, the largest cement company in Bolivia. On August 18, 2011, GCC sold its entire interest in SOBOCE to CCS, a subsidiary of Grupo Gloria based in Peru, for US$75 million in cash. With the sale of SOBOCE, GCC ceased operations in Bolivia.

On July 2012, CIMSA, SOBOCE's former majority shareholder, filed a request for international arbitration before the IACAC, which was notified to GCC in November 2012. The request alleged, without basis, breaches of the right of preference or first option to acquire the shares subject to the aforementioned alienation.

The Arbitral Tribunal found GCC and GCC Latinoamerica liable for breaching the aforementioned shareholders' agreement and issued a Liability Award on September 13, 2013, and a Damages Award on April 28, 2015. GCC sought annulment of both awards, as a result of which both awards have been set aside.

On January 11, 2018, Bolivia's Supreme Court of Justice issued a decree confirming the annulment of the Liability Award dated September 2013.

On May 31, 2018, CIMSA requested before a Judge in Denver the resumption of an enforcement proceeding originally

initiated in September 2015 for the purposes of enforcing the Damages Award. This proceeding was originally suspended, pending the resolution of the annulment proceedings in Bolivia initiated by GCC.

On March 25, 2019, the Judge in Denver confirmed the Damages Award, rendering the award enforcement in the United States.

On October 29, 2020, GCC was notified of the resolution issued by the Fourth Specialized Bolivian Constitutional Court (Bolivia's highest court), confirming the annulment of the Damages Award. The resolution is final and does not permit further appeal. Based on the above, GCC filled a motion for revocation against the ruling of the Colorado Denver Judge, which was denied.

On January 11, 2023, GCC obtained an unfavorable decision from the United States Court of Appeals for the Tenth Circuit. which refused to recognize the annulment resolution of October 29, 2020, issued by the Constitutional Court of Bolivia. The Tenth Circuit decision affirms a Colorado District Court judgment that orders GCC to pay CIMSA the equivalent of $36.1 million dollars plus costs and interest, a resolution that GCC immediately contested.

On March 10, 2023, GCC reached a settlement agreement with CIMSA, whereby both parties mutually release each other from liability. Pursuant to the agreement, GCC and CIMSA agreed on a confidential and mutually agreeable amount, thereby resolving all outstanding disputes. This agreement does not affect GCC´s ability to recover any amounts paid, as well as expenses and damages from third parties.

The Agreement does not in any way affect the Company´s strong financial position, compliance with obligations, or ongoing business operations.

Tax matters and proceedings

GCC and its subsidiaries GCC Cemento and Cementos de Chihuahua, were audited in Mexico by the Mexican Tax Administration System (SAT) in connection with the treatment of certain income and deductions under the Income Tax Law, for which they are subject to several audits as direct subjects of such tax and for income subject to preferential tax regimes obtained through foreign entities or legal entities.

In March 2021, GCC Cemento was notified of the determination of a tax credit as a direct taxpayer of ISR for the 2014 tax year, for declaring tax losses greater than those determined by the SAT for allegedly having improperly deducted foreign exchange losses and royalties. The tax credit is a penalty in the amount of $5.4 million dollars corresponding to 30% of the difference between the tax loss declared and the corresponding amount according to the SAT. In May 2021, GCC Cemento filed an appeal to challenge the resolution of such tax credit, considering that it was not issued taking into account the tax and legal provisions in effect for the year under review, which is pending resolution by the federal tax authority.

In August 2021, GCC and GCC Cemento were notified of the determination of tax assessments as direct income taxpayers, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the 2014 tax year. The tax assessments for $32.3 and $68.2 million, respectively, correspond to the alleged amortization of tax loss carryforwards from prior years and the alleged deduction of the annual inflation adjustment in an improper manner, including in the amount the omitted tax and its accessories (updates, surcharges and fines). In September 2021, both companies filed their appeals to challenge the resolutions of the tax assessments corresponding to the 2014 tax year, considering that they were not issued taking into account the tax and legal provisions in force in the year under review, which are pending resolution by the federal tax authority.

In December 2021, Cementos de Chihuahua was notified of the determination of a tax credit as a direct taxpayer for income tax purposes for the 2016 tax year, for declaring tax losses greater than those determined by the SAT for allegedly having deducted a tax cost in the sale of accounts receivable portfolio in an improper manner. The tax credit is in the amount of US$752.0 million, including the omitted tax and its accessories. In February 2022, Cementos de Chihuahua filed an appeal to challenge the resolution of such tax credit, considering that it was not issued taking into

account the tax and legal provisions in effect in the year under review, which is pending resolution by the SAT.

In December 2021, GCC was notified of the determination of a tax credit as a direct taxpayer for income tax purposes, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the 2015 tax year. The tax credit for $11.8 million dollars, corresponds to the alleged amortization of tax losses from previous years and the alleged deduction of the annual inflation adjustment in an improper manner, including in the amount the omitted tax and its accessories. Currently, the Company filed an appeal for revocation to challenge the resolution of the tax credit corresponding to the 2015 tax year, considering that it was not issued considering the tax and legal provisions in force in the year under review, which is pending resolution by the federal tax authority.

In January and April 2022, GCC Cemento was notified of the determination of tax credits as a direct taxpayer for income tax purposes, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the tax years 2015, 2016, 2017 and 2018. The tax credits of $27.3, $31.4, $37.4 and $92.8 million, respectively, correspond to the alleged amortization of tax losses from prior years and the alleged deduction of the annual inflation adjustment and other deductions in an improper manner, including in the amount the omitted tax and its accessories (updates, surcharges and fines). In March, May and June 2022, GCC Cemento filed an appeal to contest the resolutions of such tax assessments, considering that they were not issued taking into account the tax and legal provisions in effect for the year under review, which is pending resolution by the SAT.

In September and April 2022, GCC was notified of the determination of tax credits as direct taxpayers for income tax purposes, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the 2016, 2017 and 2018 tax years. The tax credits for $16.3, $16.5, $77.0 million, respectively, correspond to the alleged amortization of tax losses from prior years and the alleged deduction of the annual inflation adjustment and other deductions in an improper manner, including in the amount the omitted tax and its accessories (updates, surcharges and fines). Currently, the Company filed an appeal for revocation to contest the resolutions of the corresponding tax assessments, considering that they were not iss taking into account the tax and legal provisions in effect for the year under review, which is pending resolution by the federal tax authority.

By means of a writ filed on January 12, 2022 in the proceedings of the Amparo Indirecto A.I. 1437/2014 of the index of the First District Court of the Auxiliary Center of the First Region, with residence in Mexico City, GCC, GCC Cemento, and Cementos de Chihuahua, promoted an incident for excess or deffect in the compliance of the definitive suspension, granted to the aforementioned companies by the referred District Court through the interlocutory judgment of June 7, 2016 issued in the records of the incidental notebook of the aforementioned amparo lawsuit.

In March 2022, the interlocutory ruling issued by the District Court that heard the incident of violation of the definitive suspension of the indirect injunction 1437/2014, filed by GCC, GCC Cemento and Cementos de Chihuahua, was issued. through which it resolved that the tax authority did not comply with the definitive suspension granted for not using the tax mailbox as a means of communication, since such authority communicated to them several acts of inspection, such as orders for the exercise of inspection powers corresponding to several fiscal years, through the desk review, information and documentation requests, observations, tax credit resolutions, among others. Therefore, the authorities were required to comply with the definitive suspension granted to the plaintiff and rectify the errors incurred in complying with it, or in its case, correct the related deficiencies, in order to avoid incurring in contempt of court.

Subsequently, by order dated April 26, 2022, issued in the incident for excess or default in compliance with the definitive suspension of the decision filed by GCC, GCC Cemento and Cementos de Chihuahua, the First District Court of the First Auxiliary Center of the First Region, with residence in Mexico City, analyzed a new alleged and purported compliance given by the responsible authorities with respect to what was ordered in the interlocutory judgment of March 1, 2022, resolving that "...there is no place to consider as complied with the resolution in question...", determining that "...".in order for this court to consider that the resolution in question has been complied with, it is necessary that the aforementioned authorities go back to the moment in which the aforementioned resolution was issued, that is, as if the acts they performed had never taken place, which implies, of course, that, based on their powers, they should leave unconstitutional only those acts whose performance was prohibited."

As a result of the ruling and determination of April 26, 2022 referred to above, the responsible tax authorities filed two appeals, which were forwarded to the Fourth Collegiate Circuit Court of the Auxiliary Center of the First Region, located in Mexico City, under file numbers QA. 1140/2022 and QA. 1141/2022.

The resolution of the Complaints in charge of the Fourth Collegiate Circuit Court of the Auxiliary Center of the First Region, in Mexico City, to whom they were turned to for such purpose, were concluded on April 13, 2023, dismissing them as inadmissible, and therefore the obligation remains firm to "…rollback things to the moment in which the aforementioned incidental resolution was issued" this is to say, leaving without effect all the acts and proceedings that violated the suspension granted to the companies, in favor of GCC.

On January 3, 2024, in connection with the resolutions issued by the different authorities of the Central Administration of Large Taxpayers' Litigation, through which the appeals for revocation filed by GCC, GCC Cemento and Cementos de Chihuahua were resolved against the different tax assessments issued for the tax years 2014, 2015, 2016, 2017 and 2018, respectively, the companies have a period of 30 business days from the date of notification thereof to file the Federal Administrative Litigation Proceedings before the Federal Court of Administrative Justice with respect to each of the aforementioned resolutions.

In this regard, our advisors believe that the nullity trials that will be filed, both with respect to each of the resolutions that resolved the appeals for revocation filed, as well as the resolutions determining the tax credits of each company, have a high probability that they will be resolved in favor of GCC, GCC Cemento and Cementos de Chihuahua.

In January and February of 2024, the annulment proceedings in the litigation process were filed under each tax credit established by the tax authority. Correspondingly, the financial guarantees filed by GCC, were accepted on January 29 and February 9, 2024, and on March 13, 2024 for GCC Cemento, and Cementos de Chihuahua.

2.b.xii) Shares representing the capital stock

GCC's capital stock is variable. As of April 30, 2024, the minimum fixed capital without withdrawal right amounts Ps. 134,960,000, which is fully subscribed and paid in, represented by 327,593,178 ordinary, common, nominative shares without par value, Class I, single series; plus 9,806,822 repurchased shares of the same class and series held in the Company's treasury. The variable part of the capital is unlimited and is represented by ordinary, nominative shares with no par value, Class II, single series. Each share has the right to one vote at Shareholders' Meetings and grants equal rights and obligations to its holders. There are no mechanisms by virtue of which corporate rights conferred by the shares representing GCC's capital stock are limited.

As of the date of this report, the capital stock is fully subscribed and paid. The shares representing the capital stock have the following characteristics:

Series	Par value	Current coupon*	Fixed portion	Variable portion	Mexicans	Free subscription	Fixed Capital	Variable Capital
Sole	No par value	21	337,400,000	0	171,658,588	165,741,412	134,960,000	0

** as of April 30, 2024*

As of December 31, 2023, GCC's capital stock comprises a total of 337,400,000, out of which 10,585,321 shares are held in GCC's treasury. Consequently, the total number of outstanding shares is 326,814,679. CAMCEM holds 171,658,588 shares, constituting 50.9% of GCC's capital stock. The remaining 155,156,091 shares, representing 46% of GCC's outstanding capital stock, are distributed among the market.

In 2023, the number of shares in treasury was decreased as 476,235 shares were transferred to the employee stock program. This reduction was partially offset by the net purchase of 1,631,981 shares, resulting from the acquisition

of 9,190,210 shares and the sale of 7,558,229 shares through the buyback program. The Company uses this program to enhance liquidity of GCC shares and mitigate their price volatility.

During the Annual Shareholder's Meeting held on April 27, 2011, shareholders authorized an increase in the variable portion of the capital stock by up to 14,000,000 (fourteen million) ordinary, nominative shares without par value, Class II, single series. To date, these shares have not been issued.

2.b.xiii) Dividends

The distribution of dividends, including their amount and payment date, is determined by a majority vote of the shareholders at the Annual Shareholder's Meeting, with the recommendation of the Board of Directors. This decision depends on financial performance, projected investments, loan agreements constraints, capital allocation strategy and other considerations affecting GCC. It's important to note, that due to these factors, the payment of dividends cannot be guaranteed annually.

Since 1992, GCC has consistently paid dividends every year, with the exception of 2009, 2010, 2011 and 2012, when dividend payments were temporarily suspended. At the Annual Shareholders' Meeting held on April 27, 2023, a dividend payment of Ps. 1.3364 per share was declared, which was subsequently was paid on May 24, 2023.

Recent dividend declarations are outlined below:

Year	Payment year	Pesos per share*	Variation
2022	2023	1.3364	15.0%
2021	2022	1.1621	15.0%
2020	2021	1.0105	7.5%

**Figures in nominal pesos at the end of the corresponding period*

3) Financial Information

3.a) Select financial information

The Company's financial information set forth below for the years ended December 31, 2023, 2022 and 2021 is derived from and should be read in conjunction with GCC's audited financial statements, including the notes thereto.

The figures presented in this report for the aforementioned years are stated in U.S. dollars, except for figures relating to financial ratios and operating data. All values have been rounded to the nearest thousand, unless otherwise specified.

Selected financial information for the years 2023, 2022 and 2021
(Thousand dollars)

Income statement figures	2023	2022	2021
Net sales	1,363,917	1,168,319	1,038,804
Mexico sales	425,595	327,720	288,433
USA sales	938,322	840,599	750,371
Operating income before other expenses, net	382,307	268,344	241,084
EBITDA (Operating income before other expenses + depreciation and amortization)	471,536	361,591	337,678
Net financing expenses	25,329	(18,267)	(27,836)
Income before taxes	404,297	202,739	206,731
Income taxes	108,832	62,478	54,877
Consolidated net income	295,465	140,261	151,854

Statement of financial condition figures	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	2,813,093	2,454,174	2,236,190
Cash and cash equivalents	958,725	826,227	682,962
Property, machinery and equipment	1,147,881	1,002,294	934,110
Total liabilities	1,048,842	1,030,362	925,208
Short-term interest-bearing liabilities	-	-	176,000
Long-term interest-bearing liabilities	496,986	496,684	363,383
Total equity	1,764,251	1,423,812	1,310,982

GCC´s main financing activities are detailed in section 3.c. “Main financing activities”. For further information, please refer to note 20 of the financial statements.

3.b) Financial information classified by business line, geographic region and exports

GCC’s main business lines are cement, concrete, concrete block and aggregates. Net sales by business line and geographic zone are outlined below in thousands of dollars.

By business line

Business line	2023		2022		2021	
	Sales	%	Sales	%	Sales	%
Cement and mortar	894,862	66%	836,895	72%	719,599	69%
Concrete	271,193	20%	218,606	19%	194,000	19%
Concrete block	23,495	2%	17,514	1%	15,081	1%
Aggregates	33,493	2%	25,295	2%	21,415	2%
Other	140,874	10%	70,009	6%	88,709	9%
Total	**1,363,917**	**100%**	**1,168,319**	**100%**	**1,038,804**	**100%**

By geographic region

Geographic region	2023	2022	2021
Mexico	425,595	327,720	288,433
United States	938,322	840,599	750,371

Exports from Mexico to the U.S.

Export sales	2023	2022	2021
Cement	32,695	28,590	26,492
% of total sales	2.4%	2.4%	2.6%

3.c) Relevant financing activities

In June 2017, GCC issued U.S. dollar-denominated senior unsecured notes for a total amount of US$260 million, at an interest rate of 5.25% per year and has a single principal payment at maturity, due on June 23, 2024. Proceeds from the issuance of the notes were used to settle the notes that the Company then had in effect with a coupon of 8.125% and a maturity on February 8, 2020.

On June 13, 2018, the Company prepaid US$249.7 million and US$184.9 million of the unsecured and guaranteed loans, respectively, contracted in November 2016. The prepayment was made mainly with the proceeds from a new unguaranteed syndicated loan for US$400 million with maturity of five years, at an interest rate of LIBOR plus a margin with a range of 1.25% to 2.00% that is reduced or increased according to the decrease or increase of the gross leverage ratio. The credit syndication was led by BBVA Bancomer, S.A., Banco Nacional de México, S.A., J.P. Morgan Chase Bank, N.A. and The Bank of Nova Scotia.

The credit agreement contains specific covenants that refer to the sale of assets, investments, additional financing and debt payments, as well as the obligation to maintain specific financial ratios (gross and net financial leverage ratio and net interest coverage), which in case of default, the Company may be required to make an early repayment if it fails to comply with the financial ratios and operating and financial restrictions set forth in the loan agreements, including failure to pay principal or interest.

On February 2021, Fitch Ratings raised GCC's local and foreign currency Issuer Default Ratings (IDRs) and senior notes due 2024 to 'BBB-' from 'BB+' with a stable outlook and reaching investment grade rating. The major drivers of the rating upgrade are strong free cash flow generation through the recent industry cycle, solid operating performance with continued demand, and healthy balance sheet and leverage level.

In March 2021, Standard & Poor's raised GCC's local and foreign currency Issuer Default Ratings (IDRs) and senior notes due 2024 to 'BBB-' from 'BB+' with a stable outlook and reaching investment grade rating. The major drivers of the rating upgrade are steady operating and financial performance, effective business strategy and improved balance sheet, leading position in the U.S. and Mexico and that GCC ensured continuity in operations, posted improved EBITDA margins and strong cash generation despite a challenging environment in 2020.

On January 11, 2022, the Company issued a US$500 million sustainability-linked bond (SLB) with an interest coupon of 3.614% and a ten-year maturity. The net proceeds obtained from the issuance were used to pay for the redemption of the entire amount of the GCC 5.250% notes due in 2024, partially refinance bank debt maturities. The SLB was rated BBB- outlook stable by Standard & Poor's and Fitch Ratings, leveraging a core, relevant and material sustainability performance target such as CO2 intensity reduction.

On December 22, 2022, Fitch Ratings affirmed GCC's credit rating, upgrading the outlook from stable to positive, maintaining a BBB- rating. This reflected expectations that the Company will continue to strengthen its financial and business position in key markets, while maintaining a solid capital structure

The Company is in compliance with principal and interest payments on all loans and with all operating and financial covenants stablished therein.

3.d) Management's comments and analysis of the operating results and financial position

General

The following commentary should be reviewed alongside the Company's consolidated financial statements, which have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB), for the years ended December 31, 2023, 2022 and 2021.

Effective January 1, 2011, the Company adopted the IFRS as the regulatory basis for the preparing and presenting its consolidated financial statements.

The financial statements included herein encompass the consolidated statements of financial position as of December 31, 2023, 2022 and 2021, along with the income statements, statements of changes in stockholders' equity and cash flows.

Consolidation of operating results

GCC operates in the United States, Mexico and Canada, and is subject to fluctuations in foreign exchange rates, inflation and interest rates, with historical volatility being more pronounced in Mexico.

All figures presented in this report have been prepared in accordance with IFRS and are denoted in U.S. dollars, except for figures relating to financial ratios and operating data. All values have been rounded to the nearest thousand, unless otherwise stated.

The financial statements encompass those of Company and its subsidiaries over which it exercises control over management, financial and operating policies. Balances, investments and transactions between GCC and its subsidiaries have been eliminated in the financial statements.

3.d.i) Operating results

Operating results for the year ended December 31, 2023, as compared to the year ended December 31, 2022

Consolidated net sales as of December 31, 2023, totaled US$1,363.9 million, compared to US$1,168.3 million in 2022. U.S. sales represented 69% of consolidated net sales and increased 11.6% to US$938.3 million. This was primarily due to an increase in cement and concrete prices of 14.1% and 13.7%, respectively, and a 5.9% increase in concrete volumes, partially offset by a 5.1% decrease in cement volumes. Mexico sales, which represented 31% of GCC's consolidated net sales, increased 29.9% to US$425.6 million, due to a 2.2% and 5.2% increase in cement and concrete volumes, respectively, as well as a 10.0% and 13.5% increase in cement and concrete prices, respectively.

Cost of sales was 63.2% of revenues in 2023; a 5.6 percentage points decrease from the same period in 2022. The decrease was primarily due to higher selling prices, operating leverage and lower fuel costs, partially offset by higher production cost.

Selling, general and administrative expenses totaled US$119.4 million. These were equivalent to 8.8% of sales; a 50 basis-point increase compared to 2022, mainly due to the appreciation of the Mexican peso.

Operating income before other expenses increased 42.5%, to US$382.3 million, due to the increase in consolidated net sales and the decrease in cost of sales as a percentage of sales.

Other expenses totaled US$6.6 million, compared to US$50.6 million in 2022, partly due to the settlement agreement with CIMSA.

EBITDA increased 30.4% to US$471.5 million, with a 34.6% margin; a 3.6 percentage points increase compared to 2022, due to the reasons described above. GCC's U.S. operations generated 76% of EBITDA and Mexico generated 24% of EBITDA.

Net financial income totaled US$25.3 million, compared to US$18.3 of net financial expenses in 2022. This was due to an increase in financial income from a higher cash balance and higher interest income due to interest rate increases in the U.S. and Mexico treasury rates, as well as the absence of financial expenses related to the prepayment of the Company's 2024 Notes and the bank debt, and a decrease in the effective interest rate.

Income tax totaled US$108.8 million; a 74.2% year-on-year increase, mainly due to higher income before taxes, partially offset by a higher share of U.S. pre-tax income, which has a lower associated income tax rate.

Consolidated net income increased 110.7% to US$295.5 million in 2023, compared to US$140.3 million in 2022.

Free cash flow was US$233.7 million; a 16.2% year-on-year decrease, compared to US$278.9 million in 2022. This was primarily due to increased working capital requirements and cash taxes, as well as higher maintenance CapEx, partially offset by increased EBITDA generation and interest income as a result of increases in the United States and Mexico interest rates.

Interest bearing debt totaled US$500 million as of December 31, 2023, based on contractual balances; no variation compared to 2022. As of December 31, 2023, net leverage (net debt/EBITDA) was -0.99 times, compared to -0.93 as of December 31, 2022, in accordance with GCC's contractual obligations.

Total assets totaled US$2,813.1 million as of December 31, 2023, a 14.6% increase compared to US$2,454.2 million in 2022, mainly due to higher cash balance, due to the aforementioned reasons.

Operating results for the year ended December 31, 2022, as compared to the year ended December 31, 2021

Consolidated net sales as of December 31, 2022, totaled US$1,168.3 million, compared to US$1,038.8 million in 2021. U.S. sales represented 72% of consolidated net sales and increased 12% to US$840.6 million. This was primarily due to a 2.9% and 3.1% increase in cement and concrete volumes, respectively, and an increase in cement and concrete prices of 12.1% and 4.4%, respectively. Mexico sales, which represented 28% of GCC's consolidated net sales, increased 14% to US$327.7 million, due to an 8.6% increase in concrete volumes, as well as a 12.4% and 8.9% increase in cement and concrete prices, respectively, partially offset by a 2.9% decrease in cement volumes.

Cost of sales was 68.8% of revenues in 2022; a 70 basis-point increase from the same period in 2021. The increase was primarily due to higher cost of production and freight costs and higher maintenance costs and an unfavorable sales mix. These were partially offset by favorable cement prices and operating leverage.

Selling, general and administrative expenses totaled US$96.1 million. These were equivalent to 8.2% of sales; a 50 basis-point decrease compared to 2021, mainly due to higher professional services expenses.

Operating income before other expenses increased 11.3%, to US$268.3 million, due to an increase in consolidated net sales and a decrease in selling, general and administrative expenses as a percentage of sales.

Other expenses totaled US$50.6 million, compared to US$9.5 million in 2021, partly due to the settlement agreement with CIMSA.

EBITDA increased 7.1% to US$361.6 million, with a 30.9% margin; a 1.6 percentage points decrease compared to 2021, due to the reasons described above. GCC's U.S. operations generated 78% of EBITDA and Mexico generated 22% of EBITDA.

Net financial expenses decreased 34.4%, to US$18.3 million due to an increase in financial income, a decrease in the effective interest rate, as well as a lower debt balance, partially offset by costs related to the prepayment of the Company's 2024 Notes and the bank debt.

Income tax totaled US$62.5 million; a 13.9% year-on-year increase, mainly due to higher income before taxes.

Consolidated net income decreased 7.6% and totaled US$140.3 million 2022, compared to US$151.9 million in 2021.

Free cash flow was US$285.3 million; a 17.1% year-on-year increase, compared to US$243.7 million in 2021. This was primarily due to increased EBITDA generation, as well as lower working capital requirements, maintenance CapEx and interest expenses, partially offset by higher cash taxes.

Interest bearing debt totaled US$500 million as of December 31, 2022, based on contractual balances; a 7.4% year-on-year decrease. As of December 31, 2022, net leverage (net debt/EBITDA) was -0.93 times, compared to -0.44 as of December 31, 2021, in accordance with GCC's contractual obligations.

Total assets totaled US$2,454.2 million as of December 31, 2022, a 9.7% increase compared to US$2,236.2 million in 2021, mainly due to higher cash balance, due to the aforementioned reasons.

3.d.ii) Financial condition, liquidity and capital resources

During the years 2023, 2022 and 2021, GCC's subsidiaries generated operating flows of US$471.5, US$361.6 and US$337.7 million, respectively. GCC funds its working capital requirements and capital expenditures from normal operations with internally generated cash flows. GCC uses external sources to finance medium and long-term investment projects.

As of year-end 2023, net cash, after paying off debt, totaled US$458.7 million. GCC's net cash at year-end December 31, 2022 and 2021, totaled US$326.2 million and US$143 million, respectively. For more information, please refer to

section 3.c) of the relevant credit report.

Subsidiaries GCC Cemento, S.A. de C.V., Cementos de Chihuahua, S.A. de C.V. and GCC of America, Inc., are guarantors of the secured loan and the shares of these companies were pledged.

As of the date of this report, the Company remains in compliance with principal and interest payments on all loans and with adheres to all operating and financial covenants associated with them.

As of March 31, 2024, long-term debt totaled US$500 million, with an average cost of debt of 3.614%.

The following is a summary of GCC's debt principal payment schedule.

Maturity profile (million dollars)	
2023 - 2031	0.0
2032	500.0
Total	**500.0**

GCC's treasury surplus investment policy is conservative, which consists of investments in government instruments, certificates of deposit of financial institutions and commercial paper from corporations with high credit ratings. As of March 31, 2024, 36% of treasury investments were denominated in pesos, while 64% were in dollars.

Internal capital sources consist of the operating flows from subsidiaries, used to finance working capital requirements and investment projects. External sources of capital are short, medium and long-term financing, employed for investment projects and, when necessary, seasonal working capital requirements.

3.d.iii) Internal control

GCC has established internal control policies and procedures designed to provide reasonable assurance that transactions and operations adhere to management guidelines and are recorded in accordance with the interpretative guidelines of IFRS. Furthermore, its processes and operations undergo periodic internal audits which are reviewed by the Audit and Corporate Practices Committee. The internal control system includes business policies, risk management practices, internal control, control effectiveness reviews, internal audits of business processes and the implementation of corrective and preventive actions.

Moreover, GCC has implemented an integrated information system (ERP SAP) aimed at enhancing customer satisfaction and optimizing resources. This system facilitates the generation of reports that provide timely feedback on business process performance and goal achievement, enabling prompt decision-making.

3.e) Critical accounting estimations, provisions or reserves

The Company's estimates, provisions or accounting reserves are disclosed in notes 5 and 21 of the financial statements included in this report. The Company does not consider there to be any critical accounting estimates that could lead to significant changes in the financial statements.

4) Management

4.a) External auditors

GCC's external auditors are nominated by the Chairman of the Board of Directors and selected by the Board of Directors based on their experience, service standards and quality, following a briefing by the Audit and Corporate Practices Committee.

The appointment of KPMG Cárdenas Dosal, S.C., as the external auditing firm was approved by the Board of Directors since fiscal year 2022. This decision was made upon the recommendation of the Audit and Corporate Practices Committee, aligning with the Company's best corporate governance practices.

Below, the facts related to the provision of audit services and non-audit services (NAS, for its acronym in Spanish), as well as the information related to the fees, are presented.

Service provided	Fee US$
Fees for the financial statement audit	$713,719
Total fees for other services	$120,592

There was no Fee Dependency as described in the IESBA Code in the assessments to GCC, S.A.B. de C.V.

From 2013 to 2021, Deloitte audited the Company's consolidated financial statements. Additionally, Galaz, Yamazaki, Ruiz Urquiza, S.C., provided services such as auditing social security contributions and preparing transfer pricing studies for GCC.

For the years ended December 31, 2023, 2022 and 2021, the external auditors have not issued any exceptions to their opinion, unfavorable opinions, nor have they refrained from issuing opinions on the annual consolidated financial statements included in this report.

4.b) Transactions with related parties and conflicts of interest

Within the ordinary course of business, GCC conducts transactions with related parties, including CEMEX, which has a direct interest in the capital stock of the controlling shareholder (CAMCEM) and an indirect interest in the Company. In addition, GCC conducts transactions with Abastecedora de Fierro y Acero, S.A. de C.V. and Inmobiliaria Ruba, S.A. de C.V., GCC's affiliates for their significant shareholders' equity held in both companies.

In 2015, a strategic contract was celebrated with Madata IT, S.A. de C.V., in which GCC has an investment in shares in a joint venture for the rendering of IT services.

Although these transactions are conducted in the ordinary course of business and, if materially, they must be submitted to GCC's Audit and Corporate Practices Committee and approved by the Board of Directors, these transactions may create potential conflicts of interest.

All related party transactions have been conducted on terms no less favorable to GCC than would have been obtained in an unrelated party transaction and comply with applicable Mexican law, including, where necessary, by conducting transfer pricing studies.

The following table sets forth the transactions conducted with related parties during the periods ended December31, 2023, 2022 and 2021.

Related Party	As of December 31,			Description of transactions
	2022	2021	2020	
Sales				
Inmobiliaria Ruba, S.A. de C.V.	11,618	8,349	6,054	Sales of cement and building materials
Copachisa, S.A. de C.V.	13,700	10,602	3,127	Sales of cement and building materials
Abastecedora de Fierro y Acero, S.A. de C.V.	3,083	2,543	1,705	Sales of cement and building materials
CEMEX, S.A.B. de C.V.	-	199	21	Sales of cement and building materials
Net sales	**28,401**	**21,693**	**10,907**	

Purchases				
Madata IT, S.A. de C.V.	6,449	5,834	5,277	Purchase of inventory and IT services
CEMEX, S.A.B. de C.V.	7,775	8,572	5,524	Purchase of inventory and other services
Abastecedora de Fierro y Acero, S.A. de C.V.	742	736	380	Purchase of inventory and other services
Net purchases	**14,966**	**15,142**	**11,181**	

See note 8 to the audited financial statements for more detail on related party transactions.

Pursuant to the Mexican Securities Market Law and in terms of Article 156 of the LGSM, any director or officer who has a conflict of interest in any transaction or decision making must disclose it to the Board of Directors through its Chairman or Secretary, and refrain from any deliberation and resolution.

4.c) Management and shareholders

Directors

GCC is managed by a Chief Executive Officer and a Board of Directors. The Board has de authority to manage the Company and determine the policies and the strategy to be followed concerning the operations.

Under the Mexican Securities Market Law and GCC's corporate bylaws, the Board of Directors must address the following matters, among other:

- general business strategies;
- guidelines for the use of the Company's assets by related parties;
- any transaction with related parties, except under certain limited circumstances;
- unusual or non-recurring transactions and any transactions, including the acquisition or sale of assets with a value equal to or above 5% of the consolidated net assets, or the provision of collateral or guarantees, or the assumption of liabilities equal to or over 5% of consolidated assets;
- the appointment, removal and compensation of the Chief Executive Officer;
- the appointment and compensation of key executives;
- GCC's financial statements;
- internal control, accounting and auditing policies and guidelines;
- the appointment of the legal entity that provides the external audit services;
- the opinion to be presented at the General Shareholders' Meeting regarding the CEO's fiscal year-end report;
- a report detailing the accounting policies and criteria used for the preparation of the Company's financial

statements presented at the General Shareholders' Meeting;

- a report detailing the operations and activities in which the Board of Directors was involved during the fiscal year;
- the opinion regarding the tender price of public offers for GCC's shares;
- policies for the disclosure of information;
- decisions regarding actions to be taken in response to irregularities.

The Board meetings will be considered validly installed and held if at least the majority of its members attend. Resolutions shall be valid if approved by the majority of the members present at the Board meeting.

GCC's Board of Directors meetings may be summoned by (i) 25.0% of the members of the Board of Directors, (ii) the Chairman of the Board of Directors, and (iii) the Chairman of the Audit Committee or the Corporate Practices Committee.

The Mexican Securities Market Law also imposes duties of diligence and loyalty on directors.

The duty of diligence generally requires directors to obtain sufficient information and be properly prepared to act in the best interests of GCC. The duty of diligence is fulfilled primarily when a director requests and obtains from GCC all information necessary to make a decision, requiring the presence and information of GCC's officers or third-party experts, as needed, attending board meetings and disclosing relevant information in their possession. Failure to act in compliance with a director's duty of diligence causes the director to be jointly and severely liable, along with other responsible directors, for damages and losses caused to GCC and its subsidiaries.

The duty of loyalty consists mainly of the obligation to maintain the confidentiality of information received concerning the performance of the director's duties, to refrain from discussing or voting on matters where the director has a conflict of interest, and to refrain from taking advantage of corporate opportunities resulting from his actions as a director. In addition, the duty of loyalty is breached if a shareholder or group of shareholders is deliberately favored, directly or indirectly (including related parties). The duty of loyalty is also breached if the director uses corporate assets or approves the use of corporate assets in contravention of GCC's policies, discloses false or misleading information, orders, or causes any transaction to go unrecorded on GCC's last records, which could affect the financial statements, or prevents relevant information from being disclosed or modified. A breach of the duty of loyalty subjects the director to be jointly and severely liable, together with all directors who fail to do so, for damages caused to GCC and its subsidiaries. Liability may also arise if damages and losses are sustained as a result of benefits wrongfully obtained by the directors or third parties as a result of activities carried out by such directors.

Claims for breach of the duty of diligence or the duty of loyalty are for the benefit of GCC only and may only be filed by GCC or by shareholders or group of shareholders representing at least 5% of the capital stock.

As a disclaimer, the liability discussed above does not arise if the director (i) acted in good faith and complied with applicable law and GCC bylaws, (ii) the decision was made based on information provided by officers, external auditors or third-party experts, whose capacity and credibility are not subject to reasonable doubt, and (iii) selected the most appropriate alternative and any negative effect of such decision was not reasonably foreseeable based on the information available. These provisions have not been construed by Mexican courts, and therefore the decision that the competent court may make is uncertain.

Pursuant to Article 24 of GCC's by-laws, the Board of Directors will consist of an odd number of members, with a maximum of 21 directors appointed by the Ordinary General Shareholder's Meeting, of whom at least 25% must be independent.

GCC is committed to promoting diversity, providing equal opportunities for our people, and fostering an inclusive work environment. The differences our people bring to the workplace support us in achieving the best outcomes for our community. In keeping with GCC's core values, the policy supports a culture based on fairness and justice in the workplace, providing a safe environment where diversity is valued, and in which no one is excluded or marginalized

based on characteristics or beliefs that are not relevant to successful performance. Diversity, Equity and Inclusion ("DE&I") are essential to the development of creative solutions in our fast-paced world. The chances of developing truly impactful solutions are greatly improved by having team members use their own voices and lived experiences to bring mindsets with different backgrounds and competencies so ideas can be exchanged. No individual at GCC should feel marginalized or have their contributions excluded or overlooked because of who they are. At our company, people should feel free to express their opinions respectfully. It is our commitment to look for ways to include all employees in our company culture and in the career advancement opportunities that we offer.

The objective of this policy is to establish GCC's guidelines for Diversity, Equity and Inclusion behavior within the company and with our stakeholders and to maintain an awareness that DE&I adds value to the company. The purpose of this policy is to define those responsible for exercising, maintaining, and supervising good DE&I practices and appropriate DE&I behavior within GCC.

As of the date of this report, GCC's Board of Directors consists of 14% women and 86% men. GCC has a Diversity, Equity and Inclusion Committee that promotes labor inclusion by guaranteeing respectful treatment to all employees, as well as equal opportunities for hiring, personal development and professional and social growth, regardless of race, gender, sexual orientation, physical abilities, religion, ideology or age. The directors mentioned are listed below:

Chairman of the Board: Federico Terrazas Becerra

Principal Directors		Alternate Directors	
Federico Terrazas Becerra	P	Alberto Terrazas Seyffert	P
Silvia Márquez Villalobos	P	Liliana Corral Márquez	P
Enrique G. Terrazas Torres	P	Luis Enrique Terrazas Seyffert	P
María Martha Márquez Villalobos	P	Sergio Alejandro Rodríguez Márquez	P
Luis Bernardo Márquez Villalobos	P	Héctor Enrique Escalante Ochoa	P
María Carolina Mares Terrazas	P	Manuel Antonio Milán Reyes	I
Ramiro Gerardo Villarreal Morales	P	Yuri de los Santos Llamas	P
Fernando Ángel González Olivieri	P	Luis Hernández Echávez	P
José Antonio González Flores	P	Ricardo Naya Barba	P
Juan Romero Torres	P	Antonio Díaz García	P
Armando J. García Segovia	I	Rafael Garza Lozano	P
Fernando Ruiz Sahagún	I	José Alberto Araujo Saavedra	I
Luis Raúl Fernández Iturriza	I	Manuel Esparza Zuberza	I
Luis Alfonso Nicolau Gutiérrez	I	Rodrigo A. Tena Cruz	I

The following are the resumes of the members of GCC's Board:

FEDERICO TERRAZAS BECERRA. Federico Terrazas has been a member of the Board of Directors of GCC since 1991 and was appointed Chairman in 2013. Mr. Terrazas is also Chairman of the board of directors of: CAMCEM, S.A. de C.V., IMIN de México, S.A. de C.V., Control Administrativo Mexicano, S.A. de C.V. and Servicios Hospitalarios de México, S.A. de C.V. He also serves in the board of directors of Abastecedora de Fierro y Acero, S.A. de C.V., Grupo Ruba, S.A. de C.V., Servicios de Previsión Integral, S.A. de C.V., and Instituto Tecnológico y de Estudios Superiores de Monterrey Campus Chihuahua. Previously, he was a member of the board of Banco BBVA Bancomer, S.A. and Coparmex.

Mr. Terrazas holds a bachelor's degree in Business Administration and an M.B.A. from Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he completed a Harvard Business School leadership program for executive officers.

Mr. Terrazas is the nephew to Enrique G. Terrazas Torres, second cousin to Luis Márquez Villalobos, Martha Márquez Villalobos and Silvia Márquez Villalobos, and uncle of María Carolina Mares Terrazas, all of whom are members of the Board. Mr. Terrazas is also the cousin to Alberto Terrazas Seyffert and Luis Enrique Terrazas Seyffert, and second cousin once removed to Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the Board.

SILVIA MARÍA MÁRQUEZ VILLALOBOS. Silvia Márquez has been a member of the Board of Directors of GCC since 2017. She is also a member of the board of Inmobiliaria Ruba, S.A. de C.V., Grupo Cofiasa, S.A. de C.V., and of some of GCC's subsidiaries.

Mrs. Márquez has a bachelor's degree in Business Administration from Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, she holds a master's degree in Financial Law from Universidad Autónoma de Chihuahua.

Mrs. Márquez is second cousin to Federico Terrazas Becerra, first cousin once removed to Enrique Terrazas Torres, sister to Martha Márquez Villalobos and Luis Márquez Villalobos, and second cousin once removed to María Carolina Mares Terrazas, all of whom are members of the Board. She is also second cousin to Luis Enrique Terrazas Seyffert and Alberto Terrazas Seyffert, and aunt to Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the Board.

ENRIQUE G. TERRAZAS TORRES. Enrique Terrazas has been a member of the Board of Directors of GCC since 1991. He also serves on the board of directors of Abadan, S.A. de C.V., Aciarium Estructuras, S.A. de C.V., Banamex (Consejo Regional del Norte), CAMCEM, S.A. de C.V., Control Administrativo Mexicano, S.A. de C.V., Copachisa, S.A. de C.V., DEMEK, S.A. de C.V., EMYCSA, S.A. de C.V., ESJ, S.A. de C.V., Grupo Punto Alto, S.A.P.I. de C.V., IMIN, S.A. de C.V., Inmobiliaria Punto Alto, S.A. de C.V., and of Inmobiliaria Ruba, S.A. de C.V.

Mr. Terrazas holds a degree in Civil Engineering from Cornell University. He also graduated from the Executive Officers Management Program AD-2 at IPADE.

Mr. Terrazas is the uncle of Federico Terrazas Becerra, first cousin once removed to Luis Márquez Villalobos, Martha Márquez Villalobos and Silvia Márquez Villalobos, and great uncle of María Carolina Mares Terrazas, all of whom are members of the Board. Mr. Terrazas is also the father of Alberto Terrazas Seyffert and Luis Enrique Terrazas Seyffert, and second cousin twice removed to Sergio Alejandro Rodríguez Márquez and Liliana Corral Márquez, all of whom are alternate members of the Board.

MARÍA MARTHA MÁRQUEZ VILLALOBOS. Martha Márquez has been a member of the Board of Directors of GCC since 1991. Mrs. Márquez also serves on the board of Grupo Cofiasa, S.A. de C. V., Inmobiliaria Ruba, S.A. de C. V., and of Promotora de Hospitales Mexicanos, S.A. de C.V. She has worked in the accounting department of Comercial de Fierro y Acero, S.A. and in the production department of Grupo La Norteñita, S.A. de C.V. In addition, she volunteers in the following civil societies: Asociación Nacional Pro-Superación Personal, A.C. (ANSPAC), Misiones Coloniales de Chihuahua, A.C. and Fundación Cima, A.C.

Ms. Márquez holds a bachelor's degree in Finance from the Instituto Tecnológico y de Estudios Superiores de Monterrey and completed the Executive Officers Management program D-1 at IPADE.

She is the second cousin to Federico Terrazas Becerra, first cousin once removed to Enrique Terrazas Torres, second cousin once removed to María Carolina Mares Terrazas, and sister of Luis Márquez Villalobos and Silvia Márquez Villalobos, all of whom are members of the Board. She is mother of Liliana Corral Márquez, second cousin to Luis Enrique Terrazas Seyffert and Alberto Terrazas Seyffert, and aunt to Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the board.

LUIS BERNARDO MÁRQUEZ VILLALOBOS. Luis Márquez has been a member of the Board of Directors of GCC since 1991. He currently serves as a staff consultant for the chief executive officer's office of Grupo Cofiasa, S.A. de C.V.

Mr. Márquez is second cousin to Federico Terrazas Becerra, first cousin once removed to Enrique G. Terrazas Torres, brother of Martha Márquez Villalobos and Silvia Márquez Villalobos, and second cousin once removed to María Carolina Mares Terrazas, all of whom are members of the Board. Mr. Márquez is second cousin to Alberto Terrazas Seyffert and Luis Enrique Terrazas Seyffert, and uncle to Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the Board.

MARÍA CAROLINA MARES TERRAZAS. Carolina Mares has been a member of the Board of Directors of GCC since 2019. Mrs. Mares also serves on the board of directors of Grupo Cofiasa, S.A. de C.V. She has collaborated in various industries, specializing in procurement, imports, and marketing.

Mrs. Mares holds a bachelor's degree in Business Administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, she holds a master's degree in Quality and Productivity Management from Universidad Tecmilenio, as well as the executive program in Corporate Governance from Deloitte.

Mrs. Mares is niece of Federico Terrazas Becerra, grandniece of Enrique Terrazas Torres, second cousin once removed to Martha Márquez Villalobos, Silvia Márquez Villalobos and Luis Márquez Villalobos, all of whom are members of the Board. She is first cousin once removed to Luis Enrique Terrazas Seyffert and Alberto Terrazas Seyffert, and third cousin to Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the board.

RAMIRO GERARDO VILLARREAL MORALES. Ramiro Villarreal has been a member of the Board of Directors of GCC since 1991. He also serves on the board of directors of CEMEX, S.A.B. de C.V., Vinte Viviendas Integrales, S.A.B. de C.V., Andean Precious Metals Corp. and is member of the Advisory Board of Arendal, S.A. de C.V.

Mr. Villarreal joined CEMEX in 1987 as General Counsel, and held various positions, including Executive Vice President of the Legal Department, and Counselor to the chairman of board of directors and to the CEO of CEMEX. Prior to joining CEMEX, he was CEO of Banca Regional Banpaís, S.A., and Secretary of the board of directors of CEMEX and Enseñanza e Investigación Superior, A.C.

Mr. Villarreal holds a degree in Law from the Universidad Autónoma de Nuevo León and a master's degree in Finance from the University of Wisconsin-Madison.

FERNANDO ÁNGEL GONZÁLEZ OLIVIERI. Fernando González has been a member of the Board of Directors of GCC since 2010. Mr. González was appointed Chief Executive Officer of CEMEX, S.A.B. de C.V. in 2014. Additionally, he serves in the board of directors of Axtel, S.A.B. de C.V., CEMEX, S.A.B. de C.V., and Universidad TecMilenio. He is also President of the GCCA.

Mr. González joined CEMEX in 1989 and has held various positions, including Vice President of Strategic Planning, President of CEMEX Venezuela, President of CEMEX Asia, President of CEMEX South America and the Caribbean, President of CEMEX Europe, Middle East, Africa, Asia and Australia, as well as Executive Vice President of Strategic Planning, Finance and Administration.

Mr. González holds professional and postgraduate degrees in Business Administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey.

JOSÉ ANTONIO GONZÁLEZ FLORES. José Antonio González has been a member of the Board of Directors of GCC since 2013. Mr. González is responsible for the Strategic Planning and Business Development area of CEMEX, where he began his career in 1998, holding various management positions in the areas of Finance, Strategic Planning and Corporate Communications and Public Affairs. From 2014 to 2020, he served as Executive Vice President of Finance and Administration of CEMEX, heading the Finance, Legal, Controllership, Tax and Process Assessment areas.

Mr. González holds a bachelor's degree in Industrial and Systems Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey and an M.B.A. from Stanford University.

JUAN ROMERO TORRES. Juan Romero has been a member of the Board of Directors of GCC since 2011, previously occupying a seat on the Board between 2002 and 2004. Mr. Romero retired from CEMEX in June 2023. He began his career in the company in 1989, holding various positions including head of operations in Colombia and Mexico, as well as President of the CEMEX South America and the Caribbean region, President of CEMEX Europe, Middle East, Africa, and Asia regions, President of CEMEX Mexico, and Executive Vice President of Sustainability, Business Development and Operations of CEMEX.

Mr. Romero was a member of industry associations and chambers, most notably in the board of directors of Cemento Diamante y Samper (Colombia); in the Cámara Nacional de Cemento (Mexico); and in the Instituto Mexicano del Cemento y el Concreto (Mexico).

Mr. Romero holds a bachelor's degree in Law, Economics and Management from the University of Comillas, Spain.

ARMANDO J. GARCÍA SEGOVIA. Armando García has been a member of the Board of Directors of GCC since 1991. He is also a member of the board of CEMEX since 1983, Hoteles City Express, S.A.P.I. de C.V., Innovación y Conveniencia, S.A. de C.V., Universidad de Monterrey, Consejo Consultivo de Flora y Fauna del Estado de N.L., and Parques y Vida Silvestre de N.L. He is Honorary Consul of the Kingdom of Denmark in Monterrey, as well as founder and chairman of the Council of Comenzar de Nuevo, A.C.

Previously, he was officer at CEMEX and Chairman of the board at the following companies: Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES); Gas Industrial de Monterrey, S.A. de C.V.; Coparmex N.L.; Aeropuerto Internacional del Norte, S.C. and Casino de Monterrey, A.C. Mr. García served as member of the board of Universidad Regiomontana, Executive Committee of Coparmex, The World Environmental Center (WEC), Grupo Aeroportuario Centro Norte, S.A.B. de C.V.; Unidos para la Conservación, A.C., Pronatura Noreste, A.C., Patronato del Museo de la Fauna and Compañía Industrial de Parras, S.A. de C.V. Additionally, he was chairman of the board at the School of Engineering and Information Technology of ITESM.

Mr. García holds a Mechanical Engineering and Management degree from the Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he holds an M.B.A. from the University of Texas.

FERNANDO RUIZ SAHAGÚN. Fernando Ruiz has been a member of the Board of Directors of GCC since 2006. He also serves on the board of directors of Fresnillo PLC, Grupo Creatica, S.A. de C.V., Grupo México, S.A.B. de C.V., Grupo Nacional Provincial, S.A.B., Grupo Palacio de Hierro, S.A.B. de C.V., Kimberly Clark de México, S.A.B. de C.V., Rassini, S.A.P.I. de C.V. and ArcelorMittal de México, S.A. de C.V. Previously, he was a member of the board of directors of Bolsa Mexicana de Valores, S.A.B. de C.V. and Grupo Financiero Santander, S.A.B. de C.V.

Mr. Ruiz is a founding partner and advisor of the firm Chevez, Ruiz, Zamarripa y Cía., S.C. He was member of the Honorary and Governing Board of the Colegio de Contadores Públicos de México, A.C. (Association of Public Accountants of Mexico). Additionally, he was President of the Fiscal Commission of the Business Coordinating Council.

Mr. Ruiz holds a degree in Public Accounting from the Universidad Nacional Autónoma de México and was a professor in tax matters at the Universidad Anáhuac.

LUIS RAÚL FERNÁNDEZ ITURRIZA. Luis Fernández has been a member of the Board of Directors of GCC since 2020. Currently, he is CEO and chairman of the board of directors of Frutas Concentradas, S.A.P.I. de C.V., as well as chairman of the board of: Axiscom, S.A. de C.V., Materiales de Construcción de Mexicali, S.A.P.I. de C.V., Fevaxis, S.A.P.I. de C.V., Tenedora Fercam, S.A.P.I. de C.V., Industrias Tecnológicas Fercam, S.A.P.I. de C.V., FCEP Holding, S.A.P.I. de C.V., Ferfarms, S.A.P.I. de C.V., Human Tek Soluciones, S.A.P.I. de C.V. and Agua y Puntos de Venta, S.A.P.I. de C.V.

In addition, Mr. Fernández serves in the board of directors of Transtelco Holding, Inc., Fevisa, S.A. de C.V., Aqua Salus, S. de R.L. de C.V., Sistema Axis, S.A. de C.V. and Controladora Kanimi, S.A.P.I. de C.V. Previously, he was chairman of the board of directors of Sistema Axis, S.A. de C.V. and Controladora Kanimi, S.A.P.I. de C.V., as well as member of the board of Arca Continental, S.A.B. de C.V. and Embotelladoras Argos, S.A.

Mr. Fernández is member of COPARMEX in Juarez city and of Borderplex Alliance, advisor to the Economic Development in Juarez city and of the Instituto Tecnológico y de Estudios Superiores de Monterrey.

Mr. Fernández holds a degree in Public Accounting from Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he completed IPADE's AD-2 Executive Officers Management Program, as well as programs for family businesses from Wharton Business School, enduring companies from Stanford, corporate training from Harvard Business, and business strategy from Chicago Booth.

LUIS ALFONSO NICOLAU GUTIÉRREZ. Luis Nicolau has been a member of the Board of Directors of GCC since 2019. He also serves on the board of directors of Coca-Cola FEMSA, S.A.B. de C.V., Gentera, S.A.B. de C.V., Grupo Posadas, S.A. de C.V., Becle, S.A.B de C.V (Cuervo), and Grupo Coppel, S.A. de C.V. He is also a member of the Executive Committee of Ritch, Mueller and Nicolau, S.C., and Inversiones de Promotora Social México, A.C.

Previously, Mr. Nicolau was a member of the board of directors of Grupo Modelo, S.A.B. de C.V., Grupo Vitro, S.A.B. de C.V., Grupo MVS Comunicaciones, S.A. de C.V., Grupo Financiero Credit Suisse México, S.A. de C.V., J.P. Morgan Grupo Financiero, S.A. de C.V., Grupo Financiero Santander México, S.A. de C.V., Morgan Stanley Casa de Bolsa, S.A. de C.V., KIO Networks, S.A. de C.V., UBS Asesores, S.A. de C.V., Papalote Museo del Niño and Indian Mountain School.

Mr. Nicolau holds a law degree from Escuela Libre de Derecho. Additionally, he holds a master in Laws from Columbia University. He is a partner of the firm Ritch, Mueller and Nicolau, S.C.

The following are the resumes of the alternate members of GCC's Board:

ALBERTO TERRAZAS SEYFFERT. Alberto Terrazas has been a member of the Board of Directors of GCC since 1991. He also serves as chairman and CEO of Grupo Punto Alto, S.A.P.I. de C.V. and as chairman of Copachisa, S.A. de C.V.; Demek, S.A. de C.V.; EMYCSA, S.A. de C.V.; ESJ, S.A. de C.V.; and the rest of the companies of Grupo Punto Alto. In addition, he is a member of the board of Grupo Ruba, S.A. de C.V. and Abastecedora de Fierro y Acero, S.A. de C.V.; chairman of the board of Instituto Tecnológico y de Estudios Superiores de Monterrey Campus Chihuahua, Fundación Proempleo Productivo, A.C. and Casino de Chihuahua, A.C.

Previously, he was president of Desarrollo Económico, A.C. and of Cámara Nacional de la Industria de Transformación en Chihuahua (CANACINTRA), coordinator of Consejo para el Desarrollo Económico del Estado de Chihuahua (CODECH) and of Consejo por el Compromiso Social por la Calidad y la Equidad de la Educación Chihuahua, and member of Grupo Avance Empresarial, A.C.

Mr. Terrazas holds an Industrial and Systems Engineering degree from Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he completed the Owners Management Program at Harvard Business School.

Mr. Terrazas is son to Enrique Terrazas Torres, cousin to Federico Terrazas Becerra, second cousin to Luis Márquez Villalobos, Martha Márquez Villalobos and Silvia María Márquez Villalobos, and first cousin once removed to María Carolina Mares Terrazas, all members of GCC's Board of Directors. He is also brother of Luis Enrique Terrazas Seyffert, and second cousin once removed to Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the Board.

LILIANA CORRAL MÁRQUEZ. Liliana Corral has been a member of GCC's Board of Directors since 2023. She also serves on the board of the apple-producer company, Agropecuaria Tres Ositas, S.A. de C.V. and as General Director of Campamento Rancho La Aurora. In addition, Liliana has experience in the area of structure and control at Agropecuaria Tres Ositas, S.A. de C.V., in the transformation department of Grupo Financiero BBVA México, S.A. de C.V., and in the areas of administration, operation, finance, and human resources at Criadero de Caballos Rancho La Aurora, and Criadero y Carnitas de Cerdo Los Primos.

Ms. Corral holds an Industrial and Systems Engineering degree from Instituto Tecnologico y de Estudios Superiores de Monterrey. Additionally, she completed training courses for counselors in administration at EGADE Business School, innovative management and leadership at IE Business School, administration and leadership at ESADE Business School, and a startup program by ITESM.

Liliana Corral is daughter of María Martha Márquez Villalobos, second cousin once removed to Federico Terrazas Becerra, niece of Luis Márquez Villalobos and Silvia María Márquez Villalobos, grandniece to Enrique Terrazas Torres, and third cousin to María Carolina Mares Terrazas, all of whom are members of GCC's Board of Directors. She is also second cousin once removed to Alberto Terrazas Seyffert and Luis Enrique Terrazas Seyffert, and first cousin to Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the Board.

LUIS ENRIQUE TERRAZAS SEYFFERT. Enrique Terrazas has been a member of the Board of Directors of GCC since 1991. Additionally, he is a member of the board of Grupo Punto Alto, S.A.P.I. de C.V. and Instituto Tecnológico de Monterrey; chairman of Grupo Ruba, S.A. de C.V., Cubiertas Industriales de México, S.A. de C.V., and former president of the Centro de Liderazgo y Desarrollo Humano, A.C. (CELIDERH) and Coparmex. He is currently the manager of Rancho Ganadero "San Luis".

Mr. Terrazas holds an Industrial and Systems Engineering degree from Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he completed the AD-2 Senior Management program at IPADE and the Owner/President Management (OPM) program at Harvard Business School.

Mr. Terrazas is son to Enrique Terrazas Torres, cousin to Federico Terrazas Becerra, second cousin to Luis Márquez Villalobos, Martha Márquez Villalobos and Silvia María Márquez Villalobos, and first cousin once removed to María Carolina Mares Terrazas, all members of GCC's Board of Directors. He is also brother of Alberto Terrazas Seyffert, and second cousin once removed to Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, all of whom are alternate members of the Board.

SERGIO ALEJANDRO RODRÍGUEZ MÁRQUEZ. Sergio Rodríguez has been a member of the Board of Directors of GCC since 2023. Likewise, he also serves in the board of directors of Grupo Ruba, S.A. de C.V., Abastecedora de Fierro y Acero, S.A. de C.V., and Acciones y Valores del Norte, S.A. de C.V. Additionally, Mr. Rodríguez is executive director and co-founder of SARM Investment Group, S. de R.L. de C.V., and is a member of Centro Empresarial de Chihuahua. Previously, he served at Deloitte, S.C., Grupo Cofiasa, S.A. de C.V., and GCC, S.A.B. de C.V. Mr. Rodríguez has experience in accounting, financial consulting, financial analysis and planning, and real estate.

Mr. Rodríguez holds a degree in Accounting and Finance from New Mexico State University (NMSU) and is currently pursuing a degree in Law at Universidad Regional del Norte (URN). He also completed forming certifications for counselors in administration from EGADE and various courses at Deloitte on ethics, finance, costs, security, and information management, among others.

Mr. Rodríguez is second cousin once removed to Federico Terrazas Becerra, niece of Luis Márquez Villalobos, Silvia María Márquez Villalobos and María Martha Márquez Villalobos, grandniece to Enrique Terrazas Torres, and third cousin to María Carolina Mares Terrazas, all of whom are members of GCC's Board of Directors. He is also second cousin once removed to Alberto Terrazas Seyffert and Luis Enrique Terrazas Seyffert, and first cousin to Liliana Corral Márquez, all of whom are alternate members of the Board.

HÉCTOR ENRIQUE ESCALANTE OCHOA. Enrique Escalante joined GCC in 1999 and has held several senior management positions, starting as President of the Mexico Division. In 2000, he was appointed President of the U.S. Division and in 2015 he was promoted to Chief Executive Officer.

Prior to that, Mr. Escalante held positions in various commercial organizations in Mexico, including positions in the Mexican wood products industry in the departments of finance, planning, sales and marketing. He served as CEO of Plywood Ponderosa de México, S.A. de C.V. and later as President of the Ponderosa Division at Grupo Industrial Durango, S.A. de C.V. Additionally, he has been Chairman of the PCA in the United States and of the Board of Young Presidents Organization (YPO) in the Rocky Mountain Chapter in Colorado. He is currently a member of the board of directors of the GCCA and of Banamex (Consejo Regional del Norte).

Mr. Escalante is a graduate of Industrial and Systems Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he holds an MBA from Cornell University and has participated in several executive programs, including IPADE's D-1 program and Harvard University's Presidents Seminar.

MANUEL ANTONIO MILÁN REYES. Manuel Antonio Milán has been a member of the Board of Directors of GCC since 2009. He also serves as member of the board of several companies in sectors such as manufacturing, construction, restaurant, commercial, among others. Likewise, he actively participates in nonprofit associations focused on social integration, competitiveness, and education, and is a member of the board of governors of La Salle University at the Campus Chihuahua. Following his retirement, he has founded companies in real estate, private equity, technology and innovation, virtual reality, consulting, and corporate strategies. Previously, he worked at Grupo ICA as Department Manager at ICATEC, S.A. where he joined as Head of Planning for the Industrial Sector of Grupo Chihuahua, and later served as Chief Executive Officer of some of the group's subsidiaries.

He joined GCC in 1984 as Commercial Director and was later appointed Chief Executive Officer of GCC, position he held until December 2014. He chaired the Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES) which depends of the Consejo Coordinador Empresarial (CCE) at a national level. Additionally, he chaired the Centro de Competitividad de Chihuahua.

Mr. Milán holds a Civil Engineering degree with a major in operations research from Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he holds a master in Science from Stanford University, completed the AD-2 IPADE Business Management Program and completed an executive program in the Singularity University in Silicon Valley.

YURI DE LOS SANTOS LLAMAS. Yuri de los Santos has been a member of the Board of Directors of GCC since 2013. Currently, he serves as Vice President of the Constructors Segment of CEMEX in México, and as shareholder of Acciones Gerenciales Orientadas S.A. In addition, he is member of the Cluster Vivienda de Nuevo León, A.C. and of YPO, Inc. (previously Young President's Organization) of Nicaragua and Monterrey. Previously, he held various positions in CEMEX, including head of operations in Guatemala, El Salvador, and Nicaragua, and responsible of the concrete business in different regions and the commercial area.

Mr. Yuri de los Santos holds a Civil Engineering degree and a master in Business Administration from Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he has completed executive programs in management at Stanford University and European Institute of Business Administration (INSEAD).

LUIS HERNÁNDEZ ECHÁVEZ. Luis Hernández has been a member of the Board of Directors of GCC since 2022, occupying a seat on the Board between 2010 and 2016. Currently, he serves as Executive Vice President of Digital and Organizational Development at CEMEX. Previously, he held senior positions in the areas of Strategic Planning and Human Resources at CEMEX and served as a consultant for McKinsey & Company, Inc. In addition, he is a member of the board of directors of Escuela de Negocios del Tecnológico de Monterrey and the Monterrey Digital Hub, S. de R.L. de C.V.

Mr. Hernández holds a degree in Civil Engineering from Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he holds an M.B.A. and a master of Science in Engineering from the University of Texas at Austin.

RICARDO NAYA BARBA. Ricardo Naya has been a member of the Board of Directors of GCC since 2019. Mr. Naya began his career at CEMEX in 1996, where he has held several executive positions, including Vice President of Strategic Planning for the Central, South America and Caribbean regions; Vice President of Strategic Planning for the Europe, Middle East, Africa and Asia regions; President of CEMEX Poland and Czech Republic; Vice President of Commercial and Marketing in Mexico; Vice President of Commercial and Distribution Segment; and most recently, President of CEMEX Colombia. Currently, he is President of CEMEX Mexico, a position he has held since 2019.

Mr. Naya holds a bachelor's degree in Economics from Instituto Tecnológico y de Estudios Superiores de Monterrey and an M.B.A. from the Massachusetts Institute of Technology.

ANTONIO DÍAZ GARCÍA. Antonio Díaz has been a member of the Board of Directors of GCC since 2017. Since that year, he has also served as Vice President of Strategic Planning at CEMEX Mexico. He has held several positions at CEMEX, including Head of the Concrete Division, Head of Planning and Business Development, Executive Assistant to the CEO, and Head of Corporate Strategic Planning at CEMEX Global.

Mr. Díaz holds a Chemical Engineering degree from Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he holds an M.B.A. from Stanford University.

RAFAEL GARZA LOZANO. Rafael Garza has been a member of the Board of Directors of GCC since 2010. He joined CEMEX in 1985 and has served as Senior Vice President of Controlling for the CEMEX Group since 1999. Additionally, he is a member of the board of directors of Consejo Mexicano de Normas de Información Financiera, A.C.

Mr. Garza holds an Accounting degree and a master's degree in Administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he has completed several executive programs at ITAM, IPADE, and Harvard Business School.

JOSÉ ALBERTO ARAUJO SAAVEDRA. José Alberto Araujo has been a member of the Board of Directors of GCC since 2009. He is also a member board of Grupo Futurama, Consejo Estratégico de Soisa Aerospace, Mausoleos Luz Eterna, Transportes Soto, Grupo Punto Alto, Valentinos, Centro de Competitividad de Chihuahua, and Desarrollo Económico del Estado de Chihuahua. He is currently, Chief Executive Officer of Innovak Global, S.A. de C.V.

He has been counselor in several non profit associations like Fundación del Empresariado Chihuahuense, A.C.; Coparmex Juarez city, Consejo de Seguridad Publica del Gobierno del Estado de Chihuahua, Observatorio Ciudadano de Seguridad del Estado de Chihuahua, NAFIN Chihuahua, and General Director of "Ciudadanos por la Educación de Chihuahua", among others. He has been an advisor to more than 50 companies in the fields of strategy, planning, innovation, and competitiveness. He has given lectures and courses at Tecnológico de Monterrey and other

prestigious organizations, such as Congreso ICM in Chihuahua and Congreso GASEMAP in Havana, Cuba. He carried out a great number of projects for innovation and entrepreneurship in different cities such as: Tallinn, Bangalore, Beijing, Hong Kong, Toulouse, Montreal, Tel Aviv, Haifa, New Delhi, Silicon Valley, Barcelona, Boston, among others. Dr. Araujo has held various positions such as Dean of the Northern Region of Tecnológico de Monterrey, Head of master's programs, Head of the International Competitiveness Center, and Dean of the Tecnológico de Monterrey Campus Cd. Juárez and Campus Chihuahua.

Mr. Araujo holds an Industrial and Systems Engineering degree from Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he holds an M.B.A. with a major in Finance and a master's in Science with a major in Industrial Engineering. He has a PhD in Economics from the University of Havana.

MANUEL ESPARZA ZUBERZA. Manuel Esparza has been a member of the Board of Directors of GCC since 2014. He is currently an Audit Partner at the Firm GOSSLER, S.C. and manager of the Chihuahua and Delicias offices. In addition, he is an active member of Instituto y Colegio de Contadores Públicos de Chihuahua (ICCPCH) and has held several positions within its board of directors, including Treasurer and President.

Likewise, he is a member of the Financial Reporting Standards Committee of the ICCPCH, and the Auditing Committee of the Government Sector and Chairman of the Quality Control Committee of the Accounting Firms of ICCPCH and the Board of Honor of the ICCPCH. Additionally, he has participated as a speaker in various forums on topics such as International Financial Reporting Standards, International Standards on Auditing, Quality Control of Accounting Firms, Government Accounting and Auditing and courses to obtain the certification as Public Accountants. He is currently a Taxpayer's Syndic through CANACINTRA and Professor of Business Academies of Financial Statement Auditing and Government Accounting at Universidad Autónoma de Chihuahua.

Mr. Esparza began his career at GOSSLER, S.C. in 1982 where he has held various positions, including: auditor, President of the Audit Committee and member of the Audit Board of the firm. Mr. Esparza became an Audit Partner in this Accounting Firm in 2000, a position he has held to date. Additionally, he was a member at the national level of the Audit Standards and Procedures Commission (currently CONAA).

Mrs. Esparza has bachelor's degree in Accounting from Universidad Autónoma de Chihuahua. Additionally, he holds diplomas in auditing, government accounting, taxes, finance and social security.

RODRIGO A. TENA CRUZ. Rodrigo Tena has been a member of the Board of Directors of GCC since 2019. Currently he serves as an executive and board member of the following companies: Servicios Hospitalarios de México, S.A. de C.V., Promotora Empresarial del Norte, S.A. de C.V, Automotriz Inmobiliaria, S.A. de C.V., Kalisch Fierro y Acero, S.A. de C.V., Biogás de Juárez, S.A. de C.V., Transportes Soto e Hijos, S.A. de C.V., Impulsora Emergente, S.O.F.O.M. and Inmobiliaria RUBA, S.A de C.V. Previously, he served as counselor of Agropecuaria la Norteñita, S.A. de C.V.

In addition, he is a member of Asociación Chihuahuense Colegio de Abogados, A.C. and participates in volunteering activities representing the business community in FECHAC as local counselor, and as president of the board of Fundación FICOSEC, A.C.

Mr. Tena holds a Law degree from Universidad Autónoma de Chihuahua and a master's degree in Corporate Law from Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition, he completed the AD-2 Senior Management program at IPADE. Mr. Tena has also participated in the Management Development Program at Columbia Business School in New York, the Management Program at IESE Business School of the University of Navarra Spain, New York Campus, the Senior Management Program for Latin American Leaders (PADLA) at the Universidad Austral in Buenos Aires, and Corporate Governance and Finance studies at Columbia Business School of Columbia University in New York City.

Main shareholders

The following table sets forth information concerning beneficial ownership of GCC's capital stock estimated as of April 30, 2024.

Shareholder name	Shares owned	%
CAMCEM	171,658,588	50.877
Treasury shares	9,806,822 [1]	2.907
Public shareholders	155,934,590	46.217
Total	**337,400,000**	**100.0%**

[1] *Resulting from the share repurchase program*

Certain members of the Terrazas and Márquez families, which indirectly control CAMCEM, serve as directors or alternate directors of GCC. Specifically, Federico Terrazas Becerra, Enrique G. Terrazas Torres, Silvia María Márquez Villalobos, Luis Márquez Villalobos, Martha Márquez Villalobos and María Carolina Mares Terrazas, who are proprietary members of the Board, and Alberto Terrazas Seyffert, Luis Enrique Terrazas Seyffert, Liliana Corral Márquez and Sergio Alejandro Rodríguez Márquez, who are alternate directors. Accordingly, CAMCEM, and consequently the Terrazas and Márquez families, through their voting rights at the shareholders' meetings, may be able to elect a majority of the members of the Board of Directors, and therefore exert significant influence over the management. In addition, five of the members of the Board of Directors and their respective alternates have been appointed by CEMEX.

In addition to the persons mentioned above, no other individual or entity owns more than 10.0% of the outstanding capital stock, has significant influence or exercises control over the Company. GCC is not controlled, directly or indirectly by any other entity, foreign government or any other person, and is not aware of any arrangements that would result in a change in control.

At Annual Stockholders' Meeting held on April 27, 2023, shareholders authorized the repurchase of shares for up to an aggregate amount of Ps.1,500 million. As of December 31, 2023, the number of treasury shares decrease by 476,235 to be transferred to the employee stock program, partially offset by the net repurchase of 1,631,981 shares, result of 9,190,210 shares purchased and 7,558,229 shares sold in 2023, through the share buyback program. The Company uses this program with the intention of promoting the liquidity of GCC shares and reducing price volatility.

Senior Management

Pursuant to the Mexican Securities Market Law and GCC's corporate bylaws, the Chief Executive Officer and Chief Executives must act for the benefit of GCC and not for the benefit of any shareholder or group of shareholders. In addition, GCC's officers' duties include: submit the main business strategies of the Company and those of the companies under the control of GCC to the Board of Directors for approval, propose to the Board of Directors the annual budget, submit proposals for internal control to the Audit Committee, prepare all relevant information related to the activities of GCC and to the activities carried out by companies under GCC's control, disclose all relevant information to the public and maintain adequate accounting, recording systems and internal control mechanisms, prepare and present to the board annual financial statements and implement internal control mechanisms, among other actions.

Out of GCC's senior executives, 10% are women, while 90% are men, as detailed below:

Name	Position	Years of service*
Héctor Enrique Escalante Ochoa	Chief Executive Officer	24
Ronald S. Henley	President of U.S. Division	12
Marcos Ramírez Rivera	President of Mexico Division	33
Jesús Rogelio González Lechuga	Chief Technical and Operations Officer	51
Maik Strecker	Chief Financial and Planning Officer	4
César Conde Aguirre	General Counsel	17
Luis Carlos Arias Laso	VP of Expansion Projects	27
Luis Jorge Amaya González	Energy and Procurement Director	21
Daniel Eduardo Helguera Moreno	Chief Human Resources and Communications Officer	9
Gina Lotito	Chief Sustainability and Innovation Officer	17

**As of April 30, 2024*

HÉCTOR ENRIQUE ESCALANTE OCHOA – Chief Executive Officer. Enrique Escalante joined GCC in 1999 and has held several senior management positions, starting as President of the Mexico Division. In 2000 he was appointed President of the U.S. Division and in 2015 he was promoted to Chief Executive Officer.

Prior to that, Enrique held positions in various commercial organizations in Mexico, including positions in the Mexican wood products industry in the departments of finance, planning, sales and marketing. He served as CEO of Plywood Ponderosa de México, S.A. de C.V. and later as President of the Ponderosa Division at Grupo Industrial Durango, S.A. de C.V. In addition, he has been Chairman of the PCA in the United States and of the Board of the Young Presidents Organization (YPO) in the Rocky Mountain Chapter in Colorado. Currently, he is a board member of the GCCA and of Banamex (Consejo Regional del Norte).

Enrique holds a degree in Industrial and Systems Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey, and an M.B.A. from Cornell University. He has also participated in several executive education programs, including IPADE D-1 program and Harvard University's YPO Presidents Seminar.

RONALD S. HENLEY – President of U.S. Division. Ron Henley joined GCC in 2012 as Vice President of Logistics, then served as Vice President of Concrete and in 2015 he was appointed President of the United States Division. Previously, he spent 15 years at Boral Industries, Inc. where he served as Vice President of Growth and Improvement, President of Boral Construction Materials LLC, as well as Vice President of Operations and Finance at Boral Bricks. In addition, he served as Chairman of the Board of the PCA in 2021 and 2022.

Ron's expertise extends to various business segments, including operations, project management, asset acquisitions and sales, business integration and expansion, process optimization, financial management, technology transfer and strategic planning.

Ron holds a bachelor's degree in Finance and Accounting from the University of Missouri. Additionally, he earned the title of Certified Public Accountant (CPA).

MARCOS RAMÍREZ RIVERA – President of Mexico Division. Marcos Ramírez joined GCC in 1990 and has held various positions in the company including Head of Technical Sales, Government, Infrastructure and Construction segments. In 2018, he was appointed President of the Mexico Division.

Marcos holds a bachelor's degree in Civil Engineering from the Universidad Autónoma de Chihuahua. Additionally, he holds a master's degree in Construction Administration from the Mexican Chamber of Construction Industry. He has also participated in courses on strategic negotiation, leadership, executive development, as well as management and administrative strategy programs, awareness and ISO 12 Standards updating.

JESÚS ROGELIO GONZÁLEZ LECHUGA – Chief Technical and Operations Officer. Rogelio González joined GCC in 1973 and has served as Head of the physicochemical laboratory at the Chihuahua plant, Head of Calcination area, Production Superintendent, Production Manager at the Juarez plant, Manager of Frontier Project Processes at the Samalayuca plant and Manager of the Juarez and Samalayuca plants. In 2001, he was appointed President of Mexico Division and in 2018 he was appointed Chief Technical and Operations Officer.

Rogelio holds a degree in Chemical Engineering and a master's degree in Business Administration from the Universidad Autónoma de Chihuahua, and an M.B.A. from the Instituto Tecnológico y de Estudios Superiores de Monterrey.

MAIK STRECKER – Chief Financial and Planning Officer. Maik Strecker joined GCC in 2020 as Chief Planning Officer and in 2022 he was appointed Chief Financial and Planning Officer. He has more than 20 years of management experience holding different positions, such as Vice President of Business Development, Head of Growth and Innovation of the North America Region, Vice President of Marketing, Ready Mix Product Line General Manager, District Sales Manager and Regional Marketing Director, among other positions at LafargeHolcim, Lafarge North America and Holcim Germany.

Maik's expertise extends to commercial, operational, sales and marketing, innovation process management, product-line management, international business development and project leadership within global companies.

Maik holds a Civil Engineering and Business Management Degree from Leipzig University of Applied Sciences, and a bachelor of Arts in European Business Degree from the University of Lincolnshire and Humberside. Additionally, Maik has completed training programs for marketing, general managers, management through influence, safety conscious leadership and sales model, among others.

CÉSAR CONDE AGUIRRE – General Counsel. César Conde began his career at GCC in 2006 and has held different positions in GCC's legal department in Mexico and the United States. In 2022 he became General Counsel and Secretary of the Board of Directors.

César holds a bachelor's degree in Law from the Instituto Tecnológico y de Estudios Superiores de Monterrey and an LL.M. (American Law Practice/Comparative Law) from the University of Denver.

LUIS CARLOS ARIAS LASO – VP of Expansion Projects. Luis Carlos Arias began his career at GCC in 1996 as a Corporate Planning Analyst, then became Manager of Project Assessment and later took charge of Corporate Treasury and Investor Relations. In 2017 he was appointed Chief Financial Officer and in 2022 he became VP of Expansion Projects.

Luis Carlos holds a degree in Financial Administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey, where he has also lectured on mergers and acquisitions. Additionally, he holds an MBA from the same institution in partnership with Midwestern State University. He also completed the D-1 Business Management program at IPADE.

LUIS JORGE AMAYA GONZÁLEZ – Energy and Procurement Director. Luis Amaya joined GCC in 2003 as Manager of Planning and New Projects, later he was appointed Planning Director in 2017 and in April 2020 he became Energy Director. In addition, in 2022 he took over the procurement area. Previously, he held positions in the credit and valuation areas of Citibanamex and Banco Santander.

Luis holds a degree in Industrial Engineering and Systems from the Instituto Tecnológico y de Estudios Superiores de Monterrey, and an M.B.A. from the University of Texas in Austin and a Diploma in Energy Economics from the ITAM.

DANIEL EDUARDO HELGUERA MORENO – Chief Human Resources and Communications Officer. Daniel Helguera joined GCC in 2015 as Head of Human Resources and in 2022, he assumed responsibility for the Communications area. He has more than 25 years of experience in field, having held executive, strategic and human capital transformation positions. Previously, Daniel led the Human Resources department in companies in different countries and industries, including construction, cement, steel, food and technology. Under his guidance, these companies have received Top Companies awards from Grupo Expansión and certifications from the Great Place to Work Institute.

Daniel holds a degree in Public Accounting from the Instituto Tecnológico y de Estudios Superiores de Monterrey, an

M.B.A. from ITESM/EGADE Business School and a master's degree in Human Resources from IE Business School in Madrid.

GINA LOTITO – Chief Sustainability and Innovation Officer. Gina Lotito joined GCC in 2006 and has held several roles, including Quality and Shipping Manager, Production Manager, Manager of Pueblo plant, and Vice President of Energy and Sustainability for the U.S. Division. In 2021, Gina was appointed Corporate Vice President of Sustainability and Environmental Strategy, reporting directly to the CEO, and in 2022 she was appointed Chief Sustainability and Innovation Officer, assuming responsibility for the Corporate H&S, Innovation and R&D areas.

Previously, she spent almost 10 years in Holcim where she served as Quality and Shipping Manager and Process and Quality Engineering Manager. Gina's expertise extends to various business segments, including project management, quality control, thermal process, process development and optimization, alternative fuels, co-processing and environmental performance.

Gina holds a bachelor's degree as Chemical and Petroleum Refining Engineer with special interest in economic management from the Colorado School of Mines. Additionally, she holds an MBA from the University of Colorado, Boulder.

Relevant managers and officers' benefits

During the periods ending December 31, 2023, 2022 and 2021, the amount of employee benefits granted to relevant Company executives and executives is broken down as follows into thousands of dollars.

	2023	2022	2021
Direct short term benefits	9,901	9,547	6,699

Executives' compensation plan

To promote retention and to align the shareholders' interests with those of the officers and key executives, GCC has a compensation plan aligned with global best practice standards, which is composed of a fixed and a variable portion.

The variable portion is linked to the value creation and success of the Company in both short-term and long-term results and represents a larger proportion of the total executive compensation. The variable portion is determined by indicators based on both short- and long-term results. The long-term compensation includes a five-period vesting option.

Board Committees

GCC has an Audit and Corporate Practices Committee comprised of independent members appointed by the Board of Directors, except for the Chairman who is elected by shareholders. The operations of the Committees are subject to the following rules: (i) the annual report on the activities corresponding to each Committee will be prepared by the Chairman of the Committee for presentation to the Board of Directors, (ii) the Committees will meet as often as necessary, and may be called by the Chairman of the Board, 25% of the directors, the Chief Executive Officer or the Chairman of the Committee, (iii) decisions will be taken by a unanimous vote of those present at the meetings, (iv) the alternates of the advisors who are members of the Committees shall also be members of the Committee, (v) each Committee shall designate at its first meeting a person to act as secretary, who shall not be a member of the Committee, an alternate shall be designated on the same terms, and (vi) the Committees shall keep a book of records of their meetings, in which the records of each meeting shall be entered and signed by those who have acted as Chairman and Secretary of the Committee meeting.

During the year ended December 31, 2023, and as of the date of this report, the Audit and Corporate Practices Committee consists of the following persons:

Proprietaries	Alternates
Fernando Ruiz Sahagún - Chairman	José Alberto Araujo Saavedra
Luis Alfonso Nicolau Gutiérrez	Rodrigo A. Tena Cruz
Armando J. García Segovia	Ramiro Gerardo Villarreal Morales

The Chairman, Fernando Ruiz Sahagún, has a degree in Public Accounting from the Universidad Nacional Autónoma de México and is a founding partner and advisor to the firm Chevez, Ruiz, Zamarripa y Cía., S.C. He has been a member of the Board of Honor and Government of the Colegio de Contadores Públicos de México, A.C. Additionally, he was Chairman of the Fiscal Commission at the Business Coordinating Council.

Among the functions of the Committee in regard to corporate practices field is to provide its opinion to the Board of Directors on matters of its competence in accordance with the LMV, requesting the opinion of independent experts when deemed appropriate for the adequate performance of its functions. In addition, the Committee is responsible for supporting the Board of Directors with the preparation of reports, as well as any activity established by law or provided for in the Company's bylaws, in accordance with the functions assigned to it by the legal system.

Some of the Committees' functions in matters of audits are to provide its opinion to the Board of Directors on the matters within its competence according to the applicable legislation; to evaluate the performance of the legal entity, providing external audit services, as well as analyzing the opinion, reports prepared and signed by the external auditor; to recommend or not to the Board of Directors the approval of the company's financial statements; to report on the situation of the internal control and internal audit system of the Company; to support the Board of Directors in the preparation of reports; to inform the Board of Directors of any irregularities detected in its functions; to ensure that the General Manager complies with the resolutions of the Shareholders' Meetings and the Board of Directors of the Company; and any others established by law or provided for in the Company's bylaws, in accordance with the legally assigned functions.

To carry out its functions, the Committee may request the opinion of independent experts in cases where it deems appropriate, request reports from the relevant executives and other collaborators of the Company regarding the preparation of financial information and any other type of information that it considers necessary to carry out its functions, receive observations made by shareholders, directors, relevant executives, collaborators and, in general, any third party, request periodic meetings with the relevant executives, as well as the delivery of any type of information related to the internal control and internal audit of the Company or legal entities that it controls.

4.d) Bylaws and other agreements

General

Amendments to GCC's bylaws to comply with the requirements of the LMV were approved in an Extraordinary General Shareholders' Meeting held on December 4, 2006. The bylaws were subsequently amended at the Extraordinary Shareholders' Meeting held on September 12, 2016.

Furthermore, at the Extraordinary Shareholders' Meeting held on March 23, 2021, the shareholders approved the amendment of GCC's bylaws to change the Company's name from Grupo Cementos de Chihuahua, S.A.B. de C.V. to GCC, S.A.B. de C.V.

On April 27, 2023, an Extraordinary General Shareholders' Meeting was held, at which it was approved, among others, the amendment of GCC's bylaws to change the channel of publication for corporate matters, as well as to allow sending notices by electronic means and the implementation of digital signatures for attendance lists. The minutes were notarized and registered in the Public Registry of Commerce of Chihuahua under the electronic commercial folio number 10313. A copy of GCC's bylaws as amended, has been submitted to the CNBV and the BMV and is available for review in the BMV, as well as on its website: www.bmv.com.mx. GCC's registered office is located in the

city of Chihuahua, Chihuahua and its main offices are located at Av. Vicente Suárez and 6a. s/n, Col. Nombre de Dios, Chihuahua, Chihuahua.

Outstanding Capital Stock

GCC's capital stock is variable. As of the date of this report, the minimum fixed capital stock without right of withdrawal totals Ps. 134,960,000, which is fully subscribed and paid, and is represented by 337,400,000 ordinary, common, nominative shares, with no par value, Class I, sole series. The variable portion of the capital stock is unlimited and is represented by ordinary, nominative shares with no par value, Class II, single series. Each share is entitled to one vote at Shareholders' Meetings, and all shares confer equal rights and obligations to their holders.

Changes to Capital Stock

The fixed portion of the capital stock may be increased or decreased by means of a resolution adopted at an Extraordinary Shareholders' Meeting and upon amendment of GCC's bylaws. The variable portion of the capital stock may be increased or decreased by a resolution adopted at an Ordinary Shareholders' Meeting, without making any amendment to GCC's bylaws. Increases or decreases in the fixed or variable portion of the capital stock must be recorded in the Company's registry of capital variations. New shares cannot be issued unless the previously issued and outstanding shares have been fully paid.

During the last three years, including 2023, there have been no capital increases or share issues.

Registration and Transfer

The shares are represented by nominative share certificates. GCC's shareholders may hold their shares in the form of physical securities or in electronic records in the books of a financial institution authorized to maintain accounts with Indeval. Indeval will be the registered holder of shares held through electronic records in S.D. Indeval's accounts. Accounts may be maintained at Indeval by brokers, banks and other Mexican and non-Mexican financial institutions and entities authorized to be participants at Indeval. GCC maintains a stock registry and will only recognize the persons registered on such registry as shareholders as long as those persons have nominative share certificates. The Company will also recognize the persons who maintain shares through Indeval accounts as shareholders (presenting Indeval certificates as proof of ownership in addition to certificates issued by depository institutions).

Pursuant to the Securities Market Law, shares transfers must be recorded in the stock registry so that such registry may be correlated with Indeval's records. Physical share certificates may only be transferred by endorsement and delivery, coupled with a notation on the stock registry.

Stockholders Meetings and Voting Rights

General shareholders' meetings may be ordinary or extraordinary. Shareholders may also hold special meetings if different series of shares exist.

Extraordinary general shareholders' meetings will be those called to resolve matters set forth in Article 182 of the General Law on Corporate Entities and, additionally, to approve the cancellation of the registration of the Company's shares on the Mexican National Securities Registry, as well as the amortization of shares representing GCC's capital stock with distributable profits and the issuance of limited vote shares, preferential shares or any other class of shares other than the common shares, capital stock increases in accordance with Article 53 of the Mexican Securities Market Law, as well as any other matter for which the applicable law or corporate bylaws expressly require a special quorum.

Ordinary general shareholders' meetings are those called to resolve any of the following matters:

- discuss, approve or modify the Chief Executive Officer's report referred to in Article 44, section XI and Article 172 of the Mexican Securities Market Law, except for paragraph b), the Board's opinion related to the Chief Executive Officer's report, the Board's report as set forth in Article 28, section IV, paragraph d) of the Mexican Securities Market Law and Article 172, paragraph b) of the General Law on Corporate Entities, the annual report of the Audit and Corporate Practices Committee referred to in Article 43 of the Mexican Securities Market Law and the report related to the operations and activities of the Board, and to adopt the measures deemed appropriate;
- decide the application of the income account;
- appoint the members of the Board, either principal or alternates, and qualify the independence of each member and determine their compensation;
- appoint and/or remove the chairman of the Audit and Corporate Practices Committee;
- increase or reduce the variable portion of the capital stock, except when applicable legal provisions do not require a resolution from a Shareholders' Meeting for purposes of such increase or decrease;
- approve, without exceeding any legal limit, for each fiscal year, the maximum amount of resources to be allocated to share repurchases in terms of Article 6, section VI, paragraph d) of its bylaws;
- approve any transaction that GCC or any other company controlled by it may carry out during one fiscal year, when such transaction represents 20% or more of its consolidated assets, based on the financial information corresponding to the immediately preceding quarter, regardless of the form of their execution, whether simultaneous or successive, but which, due to their characteristics, may be deemed as a single transaction; and
- resolve any other matter under its consideration that is not expressly reserved by any legal provision or its bylaws to an extraordinary general shareholders' meeting.

The General Shareholders' Meetings shall be held at least once a year within the four months following the end of the fiscal year, and shall also address matters included in the agenda. A special Shareholders' Meeting may be called to resolve any matter set forth in Articles 112 and 195 of the General Law on Corporate Entities.

The attendance quorum for general ordinary shareholders' meetings upon first call will be 51% of the outstanding capital stock, and resolutions may be taken by a majority of the capital stock represented therein. The quorum for extraordinary general shareholders' meetings will be at least 75% of the outstanding capital stock, and resolutions may be taken by the majority of the voting shares of the capital stock, except for resolutions related to any amendment to the provisions of its bylaws related to the cancellation of the registration of the shares at the RNV, which shall require the affirmative vote of at least 95% of the outstanding capital stock. If the aforementioned attendance quorum is not met upon first call, the meeting will be repeated and the shareholders will take the decisions corresponding to the matters contained on the agenda, regardless of the number of shares represented, as long as it is an ordinary meeting. In case of a general extraordinary meeting, the affirmative vote of the majority of the shares representing the capital stock will be required in all cases.

In accordance with Mexican law and GCC's bylaws, shareholders' meetings may be called by (i) GCC Board of Directors, (ii) the Chairman of the Board and (iii) the Audit and Corporate Practices Committee. Shareholders representing at least 10% of the outstanding capital stock may request the Chairman of the Board or the Chairman of the Audit and Corporate Practices Committee to call for a meeting. Except as set forth in its bylaws, any shareholder who owns one share shall have equal rights in any of the events referred to in Article 185 of the General Law on Corporate Entities. If the Board or the chairman of the Audit and Corporate Practices Committee fail to call for the meeting within 15 days or 3 days, respectively, following the date of the request, a civil judge or a district judge located at the corporate domicile may call for the meeting if requested by any shareholder, evidencing for such purposes its corresponding participation in the capital stock.

Unless otherwise provided by GCC's bylaws, calls for shareholders' meetings must be published in the electronic system established by the Ministry of Economy, or alternatively by e-mail with an acknowledgment of receipt sent to the e-mail address designated for such purposes by the shareholder; by a data message sent by means of an application to the telephone number designated for such purposes by the shareholder; or through a publication in a widely circulated newspaper in the business address of the Company. The calls shall be published at least 15 days

before the scheduled date of the shareholders' meeting in the case of first and any subsequent calls and shall contain the matters to be discussed at the meeting. From the date on which a call is published until the date of the corresponding meeting, all relevant information must be made available to the shareholders at the Company's corporate offices.

Preemptive Subscription Right

Under Mexican law and the Company's bylaws, shareholders have preemptive subscription right in respect of all share issuances or capital stock increases, subject to certain exceptions set forth below. If GCC issues additional shares of capital stock, the shareholders will have the right to purchase the number of shares necessary to maintain their existing ownership percentage. Shareholders must exercise their preemptive rights within 15 days following the date of publication of the shareholders' resolution approving the increase of the capital stock on the relevant newspaper of GCC's corporate domicile and in any newspaper of general circulation in its corporate domicile. Under Mexican law, shareholders cannot waive their preemptive rights in advance.

Preemptive rights will not apply to (i) shares issued by GCC in connection with mergers, (ii) the resale of shares held in its treasury or in its balance sheet, as applicable, as a result of repurchases of shares conducted by the Company on the BMV or BIVA, (iii) in the event that holders of its shares entitled to vote at a general shareholders' meeting, approve the issuance of unsubscribed shares, to be placed in a public offering pursuant to Article 53 of the Mexican Securities Market Law, which allows the preemptive subscription right not to apply to public offers carried out by a public traded stock corporation, and (iv) in relation to shares issued in connection with the conversion of convertible notes and other securities.

Restrictions on Ownership and Shares Transfers

Subject to certain exceptions, bylaws require the approval of the Board (i) prior to any acquisition, directly or indirectly, of a block of shares, instruments with reference to or representative of shares, instruments convertible into or exchangeable for shares or rights concerning shares resulting directly or indirectly in beneficial ownership of shares representing 3% or more of the outstanding shares, (ii) prior to entering into agreements resulting in the formation or adoption of mechanisms or voting association agreements, or of voting in concert or in the aggregate concerning instruments convertible into or exchangeable for shares or rights concerning shares representing 3% or more of the outstanding shares (the "Voting Agreement"), and (iii) if any competitor intends to directly or indirectly acquire blocks of shares, instruments with reference to or representative of shares, instruments convertible into or exchangeable for shares or rights concerning shares. In any case, the approval of the Board must be granted or denied within 90 days following receipt of the corresponding notice, provided that the Board has received all of the information required to consider and approve the transaction, taking into account that, should the Board not come to a resolution in the time period provided for here, the request shall be considered denied.

If such acquisition or Voting Agreement is approved by the Board and results in the beneficial ownership by a shareholder or group of shareholders of 15% or more of GCC's shares or a change of control in the Company, the person acquiring the shares or executing the respective Voting Agreement is required to make a tender offer for 100% minus one of the aggregate outstanding shares at a price equal to the highest of (i) the book value per share of the shares pursuant to the last quarterly financial statements approved by the Board or reported to the CNBV or to the BMV, (ii) the highest closing trading price of the shares on the BMV published within the 365 days prior to the date of request or of the date of the relevant transaction approval by the Board, or (iii) the highest price per any share paid at any time by the person who, individually or in the aggregate, directly or indirectly, has the intention of acquiring the shares or entering into a Voting Agreement that is required to be authorized by the Board, plus, in each case, a 20% premium concerning the price per share payable; provided, however, that the Board may modify the amount of such premium (upward or downward) considering the opinion of a prestigious investment bank.

In evaluating the authorization requests, the Board shall take into account the factors that it deems relevant, considering the interests of the Company and those of its shareholders, including financial, market and business factors as well as the solvency of the potential acquirers, the origin of the funds to be used by the potential purchaser for the acquisition, potential conflict of interests, protection of GCC's minority shareholders, the expected benefits

for its future development, the impact on plans and budgets, the quality, accuracy and veracity of the information submitted by the potential purchaser, the viability of the offer, the price offered, the conditions of the offer, the identity and credibility of the offerors (to the extent it is possible to determine and without any liability whatsoever for the Board members or the shareholders), the reasons for the execution and timing of the Voting Agreement, the sources of financing for the offer and the term for its conclusion, and any other factors that the Board may deem necessary or convenient.

Notwithstanding the foregoing, regardless of the percentage held by the shareholder or holder of the corresponding securities, such authorization will not be required whenever the transfer is made by inheritance. If shares, or rights concerning such shares, are acquired or Voting Agreements are executed without the required prior written consent of the Board, the alleged shareholder or shareholders, will not be allowed to exercise the rights corresponding to such shares or instruments (including economic rights) and such shares or instruments will not be counted for purposes of determining quorum or required majorities for approving any resolution at shareholders' meetings, and the Company will abstain from registering the aforementioned presumed shareholder or shareholders in the shares registry, and the registration carried out by the applicable institution for depositing securities pursuant to the applicable legislation shall be without effects, and the evidence or listings referred to by Article 290 of the Mexican Securities Market Law will not be acknowledged or given any value, thus they will not show ownership of the shares or evidence the right to attend the shareholders meetings, nor will legitimate the exercise of any actions, including procedural actions. The person, persons or group of persons who acquire shares or other instruments in violation of these provisions shall transfer the shares or instruments to the interested third party that is approved and appointed by the Board of Directors pursuant to Article 130 of the LGSM.

Change of Control

Under the Mexican Securities Market Law, any person or group of persons that, directly or indirectly, in a single transaction or in a series of transactions, intends to acquire control of GCC's outstanding shares, should, besides obtaining the approval of the Board, as explained in the paragraph above, undertake a tender offer for 100% of the shares minus one, at a price equal to the greater of (i) the average trading price for the shares during the 30 trading days prior to the offer, or (ii) the last reported book value per share. GCC's bylaws contain stricter provisions in connection with a change of control than those provided by the Mexican Securities Market Law. The latter defines control, for these purposes, as (i) the power to impose decisions, directly or indirectly, at a shareholders' meeting, (ii) the right to vote 50% or more of GCC's shares, or (iii) the ability to cause, directly or indirectly, the management, strategy or policies to be followed in a certain way. This obligation derives from the provisions of the Mexican Securities Market Law and should be read in conjunction with the provisions of the preceding paragraph.

Dividends

The Board of Directors and the Chief Executive Officer must submit for approval of the annual ordinary general Shareholders' Meeting the financial statements of the previous fiscal year. Upon approval of such financial statements by the shareholders' meeting, the shareholders will determine the distribution of the net income of the previous fiscal year. Under Mexican law and GCC's bylaws, prior to any payment of dividends, at least 5% of the net earnings must be allocated to a legal reserve fund, until such legal reserve fund is equal to at least 20% of the capital stock. Additional amounts may be allocated to other reserve funds at the discretion of the shareholders, including the amount allocated to a fund for the repurchase of shares. The remaining balance, if any, may be distributed as dividends. Dividends will not be distributed if losses from previous fiscal years have not been absorbed or paid in full.

Repurchase of Shares

The Ordinary Stockholders' Meeting shall expressly agree on the maximum amount of resources that may be allocated for the purchase of treasury shares for each fiscal year. In accordance with GCC's bylaws and the Mexican Securities Market Law, the Company may repurchase its shares, without being applicable the first paragraph of Article 134 of the General Law on Corporate Entities, through the BMV, on the prevailing market price, except for public bids or auctions authorized by CNBV, and as long as such purchase is made against the stockholders' equity, to the extent such shares are owned by the Company, or to the capital stock in the event that those shares are converted into

unsubscribed treasury shares, in which case the resolution of the Shareholders' Meeting will not be needed.

Dissolution or Liquidation

Upon the Company's dissolution or liquidation, GCC's shareholders will appoint one or more liquidators at an Extraordinary Shareholders' Meeting. All fully paid and outstanding shares of the capital stock will be entitled to participate equally in any liquidation proceeds.

Rights of Minority Stockholders

Pursuant to the Mexican Securities Market Law, GCC's bylaws include several minority shareholder protections. These minority protections include, among others, the following:

- Holders of at least 10% of the Company's outstanding voting shares may:
  - Request a call for a Shareholders' Meeting;
  - Request that resolutions with regarding any matter of which they were not sufficiently informed be postponed; and
  - Appoint one member of the Board and one alternate member of the Board.
- Holders of 20% of the outstanding shares with voting rights may oppose judicially to the resolutions of the Shareholders' Meetings, in which they are entitled to vote, without the percentage referred to in Article 201 of the LGSM being applicable; and
- Shareholders representing at least 5% of the capital stock may exercise a remedy for civil liability (for the Company's benefit and not for the benefit of the plaintiff), against all or any of the directors for breach of their duty of care or duty of loyalty in an amount equal to the damages caused to GCC. Actions seeking such remedies will prescribe five years after the event.

Other Provisions

Duration

GCC's corporate existence under its bylaws is indefinite.

Purchases of Shares by GCC's Subsidiaries

GCC's subsidiaries or other entities controlled by the Company may not purchase, directly or indirectly, shares representing its capital stock.

Conflicts of Interest

Any member of the Board who, in a given transaction, has an interest opposed to that of the Company must disclose it and abstain from all deliberation and resolution in this respect. Any director who contravenes this provision shall be liable for any damages caused to the Company, as well as any breach of his duty of care.

In accordance with the Mexican General Law on Corporate Entities, shareholders with a conflict of interest must abstain from any deliberation in connection in the matter. Shareholders violating such provision shall be liable for damages caused to the Company if the transaction has not been approved without such shareholder's vote.

Jurisdiction

GCC's bylaws provide that any controversy between the shareholders and the Company, or between its shareholders, shall be submitted to the jurisdiction of the courts of the city of Chihuahua, Chihuahua.

Right to Separation

In the event that a change in the corporate purpose, nationality or transformation from one corporate form to another is approved by GCC's shareholders, any voting shareholder who has voted against the approval of these

matters at the Shareholders' Meeting shall have the right to separate from the company and receive the book value of its shares in accordance with the latest financial statements approved by the shareholders, provided that the shareholder exercises this right within 15 days after the meeting at which the change was approved.

Cancellation of the Registration in the RNV

Pursuant to GCC's bylaws and the Mexican Securities Market Law, the Company will be required to make a public tender offer to purchase the shares of the minority shareholders in the event that the listing of GCC's shares on the BMV is cancelled, either by the Company's resolution or by order of the CNBV. The controlling shareholders will be secondarily liable for the fulfillment of these obligations.

5) Capital Market

5.a) Shareholding structure

Refer to section 2.b.xii

5.b) Performance of GCC´s shares listed on the Mexican Stock Exchange

As of April 30, 2024, the total number of shares representing the fixed portion of GCC's capital stock is 337,400,000, of which 9,806,822 shares are held in GCC's treasury, leaving a total of 327,593,178 shares outstanding. The performance of these shares on the Mexican Stock Exchange is summarized below, in nominal pesos.

GCC's share price at the end of the last five fiscal years
(prices in Mexican pesos)

Period	Closing price	Trading volume	Maximum price	Minimum price
2019	100.86	103,292,211	113.65	93.12
2020	120.02	139,909,265	122.30	60.30
2021	158.45	99,620,157	170.00	116.30
2022	130.40	76,338,238	159.41	112.08
2023	200.08	106,686,725	208.54	127.05

GCC's share price at the quarterly close of the last two fiscal years
(prices in Mexican pesos)

Period	Closing price	Trading volume	Maximum price	Minimum price
I – 2022	143.41	23,473,769	159.41	128.02
II – 2022	125.71	18,461,639	146.22	116.84
III – 2022	120.70	15,090,387	131.20	112.08
IV – 2022	130.40	19,312,443	142.99	115.01
IV – 2023	200.08	23,872,331	208.54	147.08
I – 2022	143.41	23,473,769	159.41	128.02
II – 2022	125.71	18,461,639	146.22	116.84
III – 2022	120.70	15,090,387	131.20	112.08

GCC's share price at the end of each month for the six months prior to the filing of this report
(prices in Mexican pesos)

Period	Closing price	Trading volume	Maximum price	Minimum price
October 2023	160.53	7,129,220	168.99	147.08
November 2023	170.07	8,034,825	186.36	157.86
December 2023	200.08	8,708,286	208.54	168.33
January 2024	198.77	5,438,428	204.57	180.57
February 2024	179.96	5,738,198	206.98	176.29
March 2024	197.61	5,098,675	202.00	176.45

GCC was included for the first time in the MSCI family of stock indices on June 1, 2018, being part of indices referenced as MSCI Emerging Markets (EM) Latin America Small Cap and EM Latin America ex Brazil Small Cap. In March 2019, GCC was included in the FTSE Mexico All Cap index and in September 2019 it was included in the FTSE BIVA index. Additionally, GCC was part of the S&P/BMV IPC index of the Mexican Stock Exchange, from September 24, 2018, to April 24, 2020, and was included again in September 2020.

5.c) Market maker

On October 10, 2022, GCC signed a market maker agreement with BTG Casa de Bolsa, S.A. de C.V. On that date, BTG Casa de Bolsa, S.A. de C.V. (the "Market Maker") started trading GCC shares listed in the Mexican Stock Exchange. The contract ended on October 10, 2023.

The Market Maker promotes GCC shares liquidity, sets reference prices and contributes to the stability and continuity of such prices. These tasks are achieved by quoting a minimum amount of $250,000.00 Mexican pesos and bidding with a maximum differential of up to 3%.

During the period from October 10, 2022, to October 10, 2023, the average daily trading volume of GCC was 402,482 shares, whereas the average daily trading volume of the market maker was 35,778 shares, representing 9% of GCC's average daily trading volume. Throughout this period, the closing price of the Company's shares increased by 32%, rising from Ps. 123.69 to Ps. 163.30.

6) Legal representatives

GCC, S.A.B. de C.V.

Chihuahua, Chihuahua, México a 30 de abril de 2024

Los suscritos manifestamos bajo protesta de decir verdad que, en el ámbito de nuestras respectivas funciones, preparamos la información relativa a la emisora contenida en el presente reporte anual, la cual, a nuestro leal saber y entender, refleja razonablemente su situación. Asimismo, manifestamos que no tenemos conocimiento de información relevante que haya sido omitida o falseada en este reporte anual o que el mismo contenga información que pudiera inducir a error a los inversionistas.

Atentamente,

Héctor Enrique Escalante Ochoa
Director General

Maik Strecker
Director de Finanzas y Planeación

César Conde Aguirre
Director de Jurídico

GCC, S.A.B. de C.V.
Vicente Suárez y 6ª S/N
Col. Nombre de Dios, 31110
Chihuahua, Chih., México
Tel. (614) 442 3217
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DECLARACIÓN DEL AUDITOR EXTERNO

En estricto cumplimiento de lo dispuesto en el artículo 33, fracción I, inciso b), numeral 1, subnumeral 1.2 de las Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores, y exclusivamente para efectos de los estados financieros consolidados dictaminados de GCC, S.A.B. de C.V. y subsidiarias (el "Grupo") al 31 de diciembre de 2023 y 2022 y por los años terminados en esas fechas, que se incluyen como anexo en el presente Reporte Anual, así como cualquier otra información financiera que se incluya en el presente Reporte Anual, cuya fuente provenga de los estados financieros consolidados dictaminados antes mencionados, se emite la siguiente leyenda:

"El suscrito manifiesta bajo protesta de decir verdad, que los estados financieros consolidados del Grupo al 31 de diciembre 2023 y 2022 y por los años terminados en esas fechas, que se incluyen como anexo en el presente Reporte Anual, fueron dictaminados con fecha 25 de abril de 2024 de conformidad con las Normas Internacionales de Auditoría.

Asimismo, manifiesta que ha leído el presente Reporte Anual y basado en su lectura y dentro del alcance del trabajo de auditoría realizado, no tiene conocimiento de errores relevantes o inconsistencias en la información que se incluye y cuya fuente provenga de los estados financieros consolidados dictaminados señalados en el párrafo anterior, ni de información que haya sido omitida o falseada en este Reporte Anual o que el mismo contenga información que pudiera inducir a error a los inversionistas.

No obstante, el suscrito no fue contratado, y no realizó procedimientos adicionales con el objeto de expresar una opinión respecto de la otra información contenida en el presente Reporte Anual que no provenga de los estados financieros consolidados por él dictaminados."

KPMG Cárdenas Dosal, S.C.

C. P. C. Lorenzo Gabriel Vázquez Páez
Socio

C. P. C. Luis Gabriel Ortiz Esqueda
Representante legal

7) Appendix

7.a) Consolidated financial statements for the years ended 2023, 2022 and 2021

GCC, S. A. B. DE C. V. AND SUBSIDIARIES (FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S. A. B. DE C. V.)

Consolidated Financial Statements as of and for the Years Ended December 31, 2023, 2022 and 2021, and Independent Auditors' Report Dated April 25, 2024

GCC, S. A. B. de C. V. AND SUBSIDIARIES
(FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S. A. B. DE C. V.)

Independent Auditors' Report and Consolidated Financial Statements for 2023, 2022 and 2021

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KPMG Cárdenas Dosal, S.C.
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Reforma Social, Miguel Hidalgo,
C.P. 11650, Ciudad de México.
Teléfono: +01 (55) 5246 8300
kpmg.com.mx

Independent auditors´ report

(Translation from Spanish Language Original. In the event of discrepancy, the Spanish – language version prevails)

To the Board of Directors and Stockholders
GCC, S.A.B. de C. V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.):

(Thousands of US dollars)

Opinion

We have audited the consolidated financial statements of GCC, S.A.B. de C.V. and subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, the consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of GCC, S.A.B. de C.V. and subsidiaries as at December 31, 2023 and 2022, and its consolidated results and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Continued)

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Aguascalientes, Ags.
Cancún, Q. Roo.
Ciudad de México.
Ciudad Juárez, Chih.
Culiacán, Sin.
Chihuahua, Chih.
Guadalajara, Jal.
Hermosillo, Son.
León, Gto.
Mérida, Yuc.
Mexicali, B.C.
Monterrey, N.L.
Puebla, Pue.
Querétaro, Qro.
Reynosa, Tamps.
Saltillo, Coah.
San Luis Potosí, S.L.P.
Tijuana, B.C.

Key Audit Matters

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

Evaluation of legal processes	
See Note 5 (c) and 29 (b) to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
At December 31, 2023 the Group is involved in legal proceedings in the normal course of its operations. The Group records provisions for legal proceedings when it is probable that an outflow of resources will be required to settle a present obligation and when the outflow can be reliably estimated. The Group discloses a contingency for legal proceedings whenever the likelihood of loss from the proceedings is considered possible or when it is considered probable, but it is not possible to reliably estimate the amount of the outflow of resources. Legal processes provisions and contingencies is a key audit matter because it requires challenging auditor judgment and audit effort, due to the nature of the estimates and assumptions, including judgments about the likelihood of loss and the amounts that would be paid in the event of loss.	Our audit procedures in this area included, among others, the following: • We evaluated the competence and capabilities of the lawyers of the Group that assessed the likelihood of loss and the estimate of the outflow of resources. • Involvement of our legal specialists to assist in the evaluation of the status of the legal processes and Inspecting letters received from the Group's external lawyers that assessed the likelihood of loss and the amounts that would be paid in the event of loss. • Evaluate the judgments applied to resolutions obtained during and after the year end related to legal processes, as well as assessed the adequacy of the disclosures in the consolidated financial statements.

(Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended December 31, 2023 and 2022, to be filed with the National Banking and Securities Commission (Mexico) (Comisión Nacional Bancaria y de Valores) and the Mexican Stock Exchange (Bolsa Mexicana de Valores) ("the Annual Report") but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

(Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

(Continued)

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

Other Matter

The consolidated financial statements of GCC, S.A.B. de C. V. and subsidiaries as at and for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 14, 2022.

KPMG Cárdenas Dosal, S.C.

C.P.C. Gabriel Vazquez Paez
Chihuahua, Chihuahua, April 25, 2024.

GCC, S.A.B. DE C.V. AND SUBSIDIARIES
(FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.)

Consolidated statements of financial position

(Amounts in thousands of U.S. dollars ($))

	Note	As of December 31, 2023	2022	2021
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	$ 958,725	$ 826,227	$ 682,962
Accounts receivable:				
Trade accounts receivable, net	7	142,458	105,129	102,878
Other accounts receivable	7	30,283	31,826	34,103
Due from related parties	8	2,216	5,700	3,196
		174,957	**142,655**	**140,177**
Inventories	9	183,467	146,101	131,467
Prepaid expenses	12	14,029	12,739	12,852
Total current assets		**1,331,178**	**1,127,722**	**967,458**
NON-CURRENT ASSETS				
Investments in associates, joint ventures and other investments	13	30,174	23,050	21,888
Property, plant and equipment, net	14	1,147,881	1,002,294	934,110
Right of use assets, net	10	27,020	21,223	19,803
Goodwill	15	212,598	212,598	212,598
Intangible assets, net	16	50,448	57,423	62,751
Other assets	17	13,794	9,864	17,582
Total non-current assets		**1,481,915**	**1,326,452**	**1,268,732**
TOTAL ASSETS		**$ 2,813,093**	**$ 2,454,174**	**$ 2,236,190**

See accompanying notes to consolidated financial statements.

	Note	As of December 31, 2023	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts Payable and current portion of long-term financial debt	20	$ -	$ -	$ 176,000
Trade accounts payable	18	155,278	149,604	111,873
Due to related parties	8	989	2,547	2,702
Short-term employee benefits	19	47,580	37,127	39,007
Accrued expenses and taxes payable	21	83,621	67,533	47,677
Provisions	21	3,753	44,009	2,167
Right of use liability	11	9,443	9,010	14,352
Total current liabilities		**300,664**	**309,830**	**393,778**
NON-CURRENT LIABILITIES				
Long-term financial debt	20	496,986	496,684	363,383
Right of use liability	11	18,419	12,114	2,057
Employee benefits obligations	19	33,186	31,479	39,830
Environmental obligations	21	25,797	25,781	23,247
Other long-term liabilities		-	1,941	2,423
Income taxes payable	22	-	-	676
Deferred tax liabilities	22	173,790	152,533	99,814
Total non-current liabilities		**748,178**	**720,532**	**531,430**
Total liabilities		**1,048,842**	**1,030,362**	**925,208**
STOCKHOLDERS' EQUITY	23			
Common stock		32,070	32,044	32,070
Additional paid-in capital		148,365	148,365	148,365
Legal reserve		22,659	22,659	22,659
Retained earnings		1,758,803	1,499,427	1,402,880
Accumulated Other comprehensive loss		(198,614)	(279,644)	(295,623)
Equity attributable to owners of the Company		**1,763,283**	**1,422,851**	**1,310,351**
Non-controlling interest		968	961	631
Total stockholders' equity		**1,764,251**	**1,423,812**	**1,310,982**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$ 2,813,093**	**$ 2,454,174**	**$ 2,236,190**

GCC, S.A.B. DE C.V. AND SUBSIDIARIES
(FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.)

Consolidated statements of profit

(Amounts in thousands of U.S. dollars ($))

	Note	For the years ended December 31, 2023	2022	2021
Net sales	27	$ 1,363,917	$ 1,168,319	$ 1,038,804
Cost of sales	25	862,205	803,844	707,484
Gross profit		501,712	364,475	331,320
General, administrative and selling expenses	25	119,405	96,131	90,236
Operating income before other expenses		**382,307**	**268,344**	**241,084**
Other expenses, net	25	6,639	50,622	9,507
Operating income		**375,668**	**217,722**	**231,577**
Financial expenses	26	28,109	38,611	35,397
Financial income – interest income		57,967	22,124	7,228
Foreign exchange (loss) gain, net		(4,529)	(1,780)	333
Share of profit of associates and joint venture	13	3,300	3,284	2,990
Income before income taxes		404,297	202,739	206,731
Income tax expense	22	108,832	62,478	54,877
Net income for the year		**$ 295,465**	**$ 140,261**	**$ 151,854**
Consolidated net income for the year attributable to:				
Owners of the Company		295,462	140,258	151,852
Non-controlling interests		3	3	2
Net income for the year		**$ 295,465**	**$ 140,261**	**$ 151,854**

Basic and diluted earnings per share:

Weighted average outstanding shares (thousands)	326,815	327,970	331,195
Basic and diluted earnings per share (in dollars)	$ 0.90	$ 0.43	$ 0.46

See accompanying notes to consolidated financial statements.

GCC, S.A.B. DE C.V. AND SUBSIDIARIES
(FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.)

Consolidated statements of other comprehensive income

(Amounts in thousands of U.S. dollars ($))

	Note	For the years ended December 31,		
		2023	2022	2021
Net income for the year		**$ 295,465**	**$ 140,261**	**$ 151,854**
Other comprehensive income:				
Items that are or may be reclassified to net income (loss) in the future:				
Cumulative translation adjustments	23	78,611	10,592	(4,202)
Items that will not be reclassified to net income (loss) in the future:				
Remeasurements of employee benefits	23	3,385	7,696	7,516
Income taxes effect	23	(1,016)	(2,309)	(2,255)
Total comprehensive income		81,030	15,979	1,059
Net comprehensive income for the year		**$ 376,495**	**$ 156,240**	**$ 152,913**
Net comprehensive income for the year attributable to:				
Owners of the Company		$ 376,492	$ 156,239	$ 152,912
Non-controlling interests		3	1	1
		$ 376,495	**$ 156,240**	**$ 152,913**

See accompanying notes to consolidated financial statements.

GCC, S.A.B. DE C.V. AND SUBSIDIARIES
(FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.)

Consolidated statements of cash flows

(Amounts in thousands of U.S. dollars ($))

	Note	For the years ended December 31, 2023	2022	2021
Operating activities				
Consolidated net income for the year		$ 295,465	$ 140,261	$ 151,854
Adjustments for:				
Increase in pensions plan and seniority premium	19	8,868	6,538	7,833
Share of profit of associates and joint venture		(3,300)	(3,284)	(2,990)
Depreciation	14	70,181	72,337	73,442
Depreciation for right of use asset	10	12,373	13,791	12,951
Amortization	16	6,675	7,119	10,200
Gain on sale of property, plant and equipment		1,080	202	648
Income tax	22	108,832	62,478	54,877
Financial expenses – interest	26	28,109	38,611	35,397
Financial income – interest		(57,967)	(22,124)	(7,228)
(Payment of) Arbitration procedure provision	25	(41,000)	50,035	8,522
Change in assets				
Trade accounts receivable		(37,329)	4,493	(14,065)
Due from/to related parties		1,926	(2,504)	(169)
Other accounts receivable		3,101	2,277	10,880
Other assets		-	-	192
Inventories		(37,366)	(14,634)	1,271
Prepaid expenses		(1,290)	113	(325)
Trade accounts payable		5,674	37,730	22,794
Direct benefits paid to employees	19	(6,858)	(5,066)	(6,046)
Accruals and liabilities		(10,142)	993	(504)
Cash provided by operating activities		347,032	389,366	359,534
Income tax paid		(76,285)	(15,059)	(11,812)
Net cash provided by operating activities		270,747	374,307	347,722
Investing activities				
Interest collected		57,967	22,124	7,228
Purchases of property, plant and equipment and other assets		(163,592)	(96,378)	(51,492)
Proceeds from sale of property, plant and equipment		2,780	2,426	1,140
Net cash provided (used) in investing activities		(102,845)	(71,828)	(43,124)
Financing activities				
Payments of short-term and long-term financing	20	-	(540,000)	(92,000)
Long-term financing		-	500,000	
Payment of leases	11	(12,234)	(14,925)	(16,038)
Repurchase of own shares		(13,216)	(26,443)	-
Commission for long-term debt prepayment		-	(8,911)	-
Interest paid		(21,051)	(18,460)	(11,810)
Dividends paid	23	(24,617)	(19,125)	(24,511)
Net cash used in financing activities		(71,118)	(127,864)	(144,359)
Net increase (decrease) in cash and cash equivalents		96,784	174,615	160,239
Adjustment to cash flows for variations in exchange rates		35,714	(31,350)	(39,421)
Cash and cash equivalents - Beginning of year		826,227	682,962	562,144
Cash and cash equivalents - End of year		**$ 958,725**	**$ 826,227**	**$ 682,962**

See accompanying notes to consolidated financial statement.

GCC, S.A.B. DE C.V. AND SUBSIDIARIES
(FORMERLY GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.)

Consolidated statements of changes in stockholders' equity

(In thousands of U.S. dollars ($))

		Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive (loss)	Equity attributable to owners	Non-controlling interest	Total stockholders' equity
Balance as of January 1, 2021		**$ 32,070**	**$ 148,365**	**$ 22,659**	**$ 1,268,100**	**$ (296,682)**	**$ 1,174,512**	**$ 630**	**$ 1,175,142**
Net income for the year		-	-	-	151,852	-	151,852	2	151,854
Dividends paid	23	-	-	-	(17,072)	-	(17,072)	-	(17,072)
Other comprehensive loss		-	-	-	-	1,059	1,059	(1)	1,058
Balance as of December 31, 2021		**$ 32,070**	**$ 148,365**	**$ 22,659**	**$ 1,402,880**	**$ (295,623)**	**$ 1,310,351**	**$ 631**	**$ 1,310,982**
Net income for the year		-	-	-	140,258	-	140,258	3	140,261
Dividends paid	23	-	-	-	(19,154)	-	(19,154)	-	(19,154)
Repurchase of own shares		(26)	-	-	(24,557)	-	(24,583)	-	(24,583)
Other comprehensive loss		-	-	-	-	15,979	15,979	327	16,306
Balance as of December 31, 2022		**$ 32,044**	**$ 148,365**	**$ 22,659**	**$ 1,499,427**	**$ (279,644)**	**$ 1,422,851**	**$ 961**	**$ 1,423,812**
Net income for the year		-	-	-	295,462	-	295,462	3	295,465
Dividends paid	23	-	-	-	(24,926)	-	(24,926)	-	(24,926)
Repurchase of own shares		(26)	-	-	(11,108)	-	(11,134)	-	(11,134)
Other comprehensive loss		-	-	-	-	81,030	81,030	4	81,034
Balance as of December 31, 2023		**$ 32,018**	**$ 148,365**	**$ 22,659**	**$ 1,758,855**	**$ (198,614)**	**$ 1,763,283**	**$ 968**	**$ 1,764,251**

See accompanying notes to consolidated financial statements.

1. Description of activities

Description of activities

GCC, S. A. B. de C. V. (formerly Grupo Cementos de Chihuahua, S. A. B. de C. V.) is a holding company that is organized under the laws of Mexico and whose subsidiaries are principally engaged in the production and sale of hydraulic cement, concrete and aggregates in the markets of Mexico (state of Chihuahua) and the United States of America (in the central corridor from the state of Texas and New Mexico to Montana and North Dakota). GCC, S. A. B. de C. V. is listed on the Mexican Stock Exchange (BMV, by its acronym in Spanish) and is a subsidiary of CAMCEM, S. A. de C. V. (direct holding), an entity that owns 50.8% of its shares and 49.2% is traded on the BMV with the symbol GCC*.

Hereinafter the terms "GCC" or the "Company" are used to refer to GCC, S. A. B. de C. V. and Subsidiaries.

The corporate offices are located at Avenida Vicente Suarez and calle Sexta s/n, Colonia Zona Industrial Nombre de Dios, C.P. 31105, Chihuahua, Chihuahua, Mexico.

At the Extraordinary General Shareholders' Meeting held on March 23, 2021, the change of company name to GCC, S. A. B. de C. V., formerly Grupo Cementos de Chihuahua, S. A. B. de C. V., was approved.

2. Application of new and amendments International Financial Reporting Standards ("IFRS" or"IAS").

a. New and amendments IFRS Standards that are effective for the current year

In the year, GCC has applied new and revised IFRS Standards, issued by the International Financial Reporting Standards Board (IASB), which are mandatory for accounting periods beginning on or after January 1, 2023. Its adoption has not had a material impact on the disclosures or amounts reported in these consolidated financial statements.

IFRS 17	"Insurance Contracts"
IAS 1 and IFRS Practice Statement 2	"Disclosure of Accounting Policies"
Amendments to IAS 8	"Definition of Accounting Estimates"
Amendments to IAS 12	"Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

IFRS 17 - *Insurance Contracts*

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty, it considers market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IAS 1 and IFRS Practice Statement 2 - *Disclosure of Accounting Policies*

In February 2021 the IASB issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- Requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.

- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

b. Application of new and amendments International Financing Reporting Standards ("IFRS" or "IAS") issued but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards issued but not yet effective:

Amendments to IAS 1	"Classification of Liabilities as current or non-current and non-current liabilities with covenants"
Amendments to IAS 7 and IFRS 7	"Supplier Finance Arrangements"

The Company's management does not expect that the adoption of the Standards mentioned above will have a material impact on the consolidated financial statements of the Company in future periods, except as noted below:

Amendments to IAS 1 – *Classification of Liabilities as current or non-current and non-current liabilities with covenants*

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosure in Note 20, the Company has secured bank loan that is subjet to specific covenants. While both liabilities are classified as non-current at 31 December 2023, a future breach of the related covenants may require the Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosure.

Amendments to IAS 7 and IFRS 7– *Supplier Finance Arrangements*

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

As disclosured in Note 18, the Company participates in a supply chain financing arrangement for which the new disclosures will apply. The Company is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Company's consolidated financial statements:

- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

3. Functional and presentation currency

The functional currency is the currency of the main economic environment in which the entity operates, that in which it generates and uses cash. GCC's operations are mainly located in the United States of America and are carried out in US dollars ("US dollars" or "$"), so this currency has been designated as a functional currency.

The Company's reporting currency for purposes of the presentation of its consolidated financial statements, including the comparative amounts and the notes, is the US dollar (dollars or "$"). The aforementioned is due to the fact that the economic environment in which the Company operates is mostly in US dollars, so the consolidated financial statements expressed in US dollars reflect the results and the financial situation of the Company more adequately and reading the financial information in a global reference currency.

The consolidated financial statements are presented in US dollars ($), all values have been rounded up to thousands (000), except when another situation is mentioned.

4. Material accounting policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), adopted by the public entities in Mexico in accordance with the Rules for Public Companies and other Participants of the Mexican Stock Market, stablished by the National Commission of bank and stock.

On April 25, 2024, Maik Strecker (Chief Financial Officer), authorized the emission of the Financial Consolidated Statements.

b) Basis of presentation

The Consolidated financial statements represent the last three years to facilitate the analysis to the reader, mostly to the foreign analysts, holders of the debt bond placed in the international markets and to facilitate possible debt and capital collocations in different markets.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) starting January 1, 2023. The amendments require the disclosure of "material" rather than "significant" accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The Company reviewed the accounting policies and made updates to the information disclosed in Note 4 Material Accounting Policies (2022: Significant Accounting Policies) in certain cases in accordance with the modifications.

c) Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for the liability for employee benefits and right-of-use liabilities, which are measured at present value.

Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for the transactions of stock-based payments that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 - inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 - inputs are unobservable inputs for the asset or liability.

d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and those of entities controlled by the Company (its subsidiaries). Control is achieved when GCC:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to affect such returns through its power over the company in which it invests.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Company's accounting policies.

All assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts formerly recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The subsidiaries included in the consolidated financial statements are presented as follows:

Subsidiaries	% Ownership As of December 31,		
	2023	2022	2021
Direct equity interest in Mexican subsidiaries:			
Cementos de Chihuahua, S. A. de C. V.	99.999	99.999	99.999
GCC Cemento, S. A. de C. V.	99.999	99.999	99.999
GCC Corporativo, S. A. de C. V.	99.990	99.990	99.990
Indirect equity interest in Mexican subsidiaries:			
Materiales Industriales de Chihuahua, S. A. de C. V.	99.964	99.964	99.964
GCC Concreto, S. A. de C. V.	99.998	99.998	99.998
Minera Rarámuri, S. A.	99.990	99.990	99.990
Construcentro de Chihuahua, S. A. de C. V.	99.990	99.990	99.990
GCC Edificaciones y Servicios, S. A. de C. V.	99.990	99.990	99.990
GCC Transporte, S. A. de C. V.	99.950	99.950	99.950
GCC Comercial, S. A. de C. V.	99.990	99.990	99.990
Urbanizaciones Contemporáneas, S. A. de C. V.	99.990	99.990	99.990
GCC Latinoamérica, S. A. de C. V.	99.990	99.990	99.990
GCC Mercantil, S. A. de C. V.	99.990	99.990	99.990
GCC Generación, S. A. de C. V.	99.990	99.990	99.990
GCC Solar Samalayuca, S. A. de C. V.	99.990	99.990	99.990
AMD Transportes, S. A. de C. V.	51.000	51.000	51.000
GCC Gasoductos, S. A. de C. V.	99.990	99.990	99.990

Indirect equity interest in foreign subsidiaries (located mainly in the United States of America):

GCC of America, Inc.	100.000	100.000	99.999
GCC Rio Grande, Inc. (GCCRG)	100.000	100.000	99.999
GCC Dacotah, Inc. (Dacotah)	100.000	100.000	99.999
GCC Ready Mix, LLC. (GCCRM)	100.000	100.000	99.999
Mid Continent Concrete Company, Inc. (Midco)	100.000	100.000	99.999
Alliance Transportation, Inc. (Alliance)	100.000	100.000	99.999
American Investments Company, LLC.	100.000	100.000	99.999
GCC Energy, LLC. (GCCE)	100.000	100.000	99.999
Consolidated Ready Mix, Inc. (CRM)	100.000	100.000	99.999
Materiales (Hungary) Investment Group Financing, Ltd.	100.000	100.000	99.999
GCC Alliance Concrete, Inc. (GCCAC)	100.000	100.000	99.999
Colorado Energy Recyclers, LLC.	100.000	100.000	99.999
GCC Technology and Processes, S. A.	100.000	100.000	99.999
GCC Investment, Ltd.	100.000	100.000	99.999
GCC Premium Transloaders, LLC.	100.000	100.000	99.999
Cross Border Logistics, LLC.	49.999	49.999	49.999
Sunset Properties, LLC.	100.000	100.000	99.999
NM Energy, LLC.	100.000	100.000	99.999
GCC Permian, LLC.	100.000	100.000	99.999
GCC Sun City Materials, LLC.	100.000	100.000	99.999
New Materiales Investment, LLC.	100.000	100.000	99.999
GCC Trident, LLC. (GCCTF) (formerly GCC Three Forks, LLC.)	100.000	100.000	99.999
GCC Canadian Holding, Inc.	100.000	100.000	99.999

The financial statements of the subsidiaries and associates are prepared using the same reporting period as the Company, using consistent accounting policies. Intercompany balances, investments and transactions were eliminated in the consolidated financial statements.

e) Cash and cash equivalents

Cash and cash equivalents are financial assets. Cash and cash equivalents are readily convertible into a known amount of cash with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and in banks, deposits held on call with banks and other short-term, highly liquid investments, net of outstanding bank overdrafts.

f) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

g) Financial assets

In initial recognition, financial assets are classified into the following categories, according to the business model and the characteristics of their contractual flows, such as:

- Accounts receivable
- Financial instruments to charge principal and interest
- Financial instruments to collect or sell
- Negotiable financial instruments

All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

- The Company may irrevocably designate a debt investment that meets the amortized cost or fair value through other comprehensive income (FVTOCI) criteria if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the "finance income - interest income" line item.

(ii) Equity instruments designated as at FVTOCI

In the initial measurement, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial measurement it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not being reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "finance income" line item in profit.

The Company has designated all investments in equity instruments that are not held for trading as at fair value through other comprehensive income on initial application of IFRS 9.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Exchange (loss) gain, net";
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the "Exchange (loss) gain, net Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Exchange (loss) gain, net" ; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Company recognizes an allowance and loss for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, cash and cash equivalents, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime expected credit losses (ECL) for cash and cash equivalents, trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, GCC measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, GCC considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant impairment in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Regardless of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligation.

The Company considers a financial asset to have low credit risk when the asset has an external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since the initial recognition of a financial guarantee contract, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them accordingly to ensure that the criteria are able to identify a significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or;
- Information generated internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Regardless of the above analysis, GCC considers that default has occurred when a financial asset is more than 90 days past due unless GCC has reasonable and reliable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default), and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses are consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 "Leases".

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

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

Upon derecognition of a financial asset measured at amortized cost, the difference between the book value of the asset and the sum of the consideration received and receivable is recognized in profit or loss. In addition, upon derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss formerly accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, in the decrease of an investment in a capital instrument that the Company chose in the initial recognition to measure fair value through other comprehensive income, the cumulative gain or loss formerly accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

h) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The components of the convertible loan titles issued by the Company are classified separately as financial liabilities and capital, according to the content of the contractual agreements and the definitions of a financial liability and capital instrument. A conversion option that will be settled by exchanging a fixed number of the Company's own equity instruments is an equity instrument.

At the issuance date, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until it is extinguished at the time of the conversion or on the expiration date of the instrument.

The conversion option classified as capital is determined by deducting the amount of the liability component from the fair value of the entire compound financial instrument. This is recognized and included in the net equity, net of income tax effects, and is not measured again later. In addition, the conversion option classified as equity will remain in the equity until the conversion option is exercised, in which case, the balance recognized in the equity will be transferred to another equity. When the conversion option is not exercised on the expiration date of the convertible loan title, the balance recognized in the equity will be transferred to another equity. No gain or loss in profit or loss is recognized after the conversion or expiration of the conversion option.

Transaction costs related to the issuance of convertible loan securities are allocated to the liability and equity components in proportion to the allocation of incomes. Transaction costs related to the equity component are recognized directly in equity. Transaction costs related to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible loan notes using the effective interest method.

Financial liabilities

The financial liabilities are classified as financial liabilities to fair value through change in profit or as other financial liabilities.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if (i) there is currently a legally enforceable right to offset the recognized amounts, and (ii) the intention is to settle on a net basis or to realize the assets and settle the liabilities in a simultaneously amount.

Long-term financial debt

After initial recognition, long-term financial debt and notes payable are subsequently measured at amortized cost using the effective interest rate. Gains and losses are recognized in the consolidated statement of other comprehensive income when the liabilities are derecognized as well as through the amortization process of the effective interest rate.

Amortized cost is calculated taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortization is included under the caption financial expenses in the consolidated statements of other comprehensive income.

Exchange gain and loss.

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, gains and losses in foreign currency are determined based on the amortized cost of the instruments. These gains and losses in foreign currency are recognized under the heading "Exchange (loss) gain, net" in results for financial liabilities that are not part of a designated hedging relationship. For those who are designated as a hedging instrument for a hedge of foreign currency risk, gains and losses in foreign currency are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and converted at the exchange rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign currency component is part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

i) Hedge accounting

The Company continually evaluates the possibility of designating derivatives as hedging instruments with respect to foreign currency risk and interest rate risk in fair value hedges, cash flow hedges or hedges of net investments in foreign operations, to hedge these risks. Foreign exchange risk hedges in firm commitments are recorded as cash flow hedges.

For the years ended December 31, 2023, 2022 and 2021, the company does not have financial instruments of any kind.

j) Inventories and cost of sales

Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes all the purchase and production costs incurred to provide them with their current location and condition, and is valued as follows:

- Raw material: at acquisition cost according to the average cost formula.
- Finished goods and work in process: at acquisition cost in accordance with the average cost formula, includes payments incurred in their purchase, production or conversion costs and other costs incurred to have them in their current condition and location, excluding financial costs.
- Finished goods on sale: at cost based on the average cost.
- Spare parts and supplies: at cost based on the average cost.

Net realizable value is the sale price estimated in the ordinary course of operations, less applicable sale expenses. The inventories line item includes developed lands that are traded as part of the normal operating activities, which are recorded at their acquisition cost, which does not exceed net realizable value.

k) Prepaid expenses

Prepayments are recognized for the amount paid, less any subsequent amortization during the period that services or related goods are provided. The Company recognizes advance payments as an asset when it has the right to receive goods or services in the future.

l) Property, plant and equipment

Property, plant and equipment and their significant components with useful lives different from the other assets that compose a group of fixed assets, are initially recognized at acquisition value and are presented net of the accumulated depreciation and accumulated losses for impairment.

The acquisition value of the property, plant and equipment components include costs initially incurred to be acquired or constructed, and those incurred subsequently to replace them or increase their potential service or productivity.

Property, plant and equipment are presented using the cost model as required by IAS 16 "Property, Plant and Equipment". Depreciation is recognized for expensing the cost or valuation of assets (other than land and properties under construction) less their residual value and is calculated using the straight-line method based on the estimated useful life of the assets, which is estimated according to the period in which the benefits derived from their use will be received. The useful life, residual value and depreciation method are reviewed periodically by management of the Company and the effect of any changes in the registered estimate is recognized on a prospective basis.

Depreciation begins when the asset is available for use and is calculated based on the following annual rates, which are allocated according to their estimated useful life:

	Percentage
Buildings	2.00 % - 4.00 %
Machinery and equipment	3.33 % - 10.00 %
Vehicles	10.00 % - 25.00 %
Furniture and equipment	10.00 % - 33.33 %

Construction in progress

Construction in progress includes the costs associated with the construction of property, plant and equipment. Once construction is complete, these assets are classified as property, plant and equipment and depreciation begins as of the date they are capitalized, which is when their period of use begins.

Maintenance and repairs

Major repair and maintenance costs are capitalized, and a useful life and depreciation rate are estimated similarly as the other components of the same Company or class, with similar lives, and, lastly, the part of the replaced component is written off.

Property, plant and equipment sales and disposals

Property, plant and equipment are written off upon their sale or when future economic benefits are not expected from their use or sale. Any profit of loss upon write off of the asset (calculated as the difference between the net income arising from the sale of the asset and its carrying amount), is included in the consolidated statement of comprehensive income in the period in which it occurs.

Environmental Obligations

The present value of the initial estimate of the place decommissioning and remediation obligation of the assets subject to this type of legal obligation is included in the Company's property cost. Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to, or deducted from, the cost of the related fixed asset.

m) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.
The costs of development are recognized at the acquisition cost less the amortization and the impairment loss. The amortization is recognized according to the exhaustion of the estimated reserve.

The amounts for the mining rights for the extraction of coal used as fuel for cement plants and for sale to third parties are depreciated according to depletion of estimated reserves.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, an intangible asset that is generated internally is recognized at cost less accumulated amortization and any accumulated impairment losses on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

n) Goodwill

Goodwill arising on an acquisition of a business is carried at a cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Companies of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. The Company performs the impairment test considering assets groups that constitute cash generating units (CGU).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit.

q) Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in deciding the financial and operating policies of the Company in which it invests, but does not imply a control or joint control over those policies.

A joint venture is a contractual arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control in a business, which exists when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results, assets and liabilities of associates and joint ventures are incorporated into the consolidated financial statements using the equity method, unless the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, "Assets Non-current Held for Sale and Discontinued Operations". Under the equity method, investments in associates or joint ventures are initially recognized in the consolidated statement of financial position at cost and adjusted for subsequent changes to the acquisition by the Company's participation in the profit or loss and of the associate or joint venture. When the participation of the Company in the losses of an associated entity or joint venture exceeds the participation of the Company in the associate or joint venture, the Company ceases to recognize its share of losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

These assets are tested for impairment upon the occurrence of internal or external indicators of impairment affecting the asset, or derecognized in the results of operations, to determine whether their carrying value will not be recovered. An impairment loss is recognized within "Other expenses, net" for the excess of the asset's carrying amount over its recoverable amount.

When the Company carries out transactions with its associate or joint venture, the profit or loss resulting from such transactions with the associate or joint venture are recognized in the consolidated financial statements of the Company only to the extent of participation in the associate or set that is not related to the Company.

r) Right of Use Assets

<u>The Company as lessee</u>

The Company evaluates whether a contract contains a lease at its source. The Company recognizes a right-of-use and a corresponding lease liability with respect to all lease agreements in which it is a lessee, except for short-term leases (12 months or less) and low-value assets (such as electronic tablets, personal computers and small office furniture and telephone). For these leases, the Company recognizes rental payments as an operating expense under the straight-line method throughout the term of the lease, unless another method is more representative of the pattern of time in which the economic benefits from the consumption of leased assets.

The lease liability is initially measured at the present value of rent payments that are not paid on the start date, discounted by the rate implied in the contract. If this rate cannot be easily determined, the Company uses incremental rates.

The rent payments included in the measurement of the lease liability consist of:

- Fixed rent payments (including fixed payments in substance), less any lease incentives received;
- Variable income payments that depend on an index or rate, initially measured using the index or rate on the start date;
- The expected amount to be paid by the lessee under residual value guarantees;

- The exercise price of call options, if the lessee is reasonably certain to exercise the options; and
- Payments for penalties resulting from the termination of the lease, if the lease period reflects the exercise of a lease termination option.

The lease liability is presented as a separate concept in the consolidated statement of financial position.

The lease liability is subsequently measured with the increase in carrying amount to reflect the interest accrued on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the rental payments made.

The Company redeems the lease liability (and makes the corresponding adjustment to the asset for related use rights) provided that:

- The lease term is modified or there is a significant event or change in the circumstances of the lease resulting in a change in the evaluation of the purchase option exercise, in which case the lease liability is measured by discounting the updated rent payments using an updated discount rate.
- Rent payments are modified as a result of changes in rates or rates or a change in the expected payment under a guaranteed residual value, in which cases the lease liability is revalued by discounting the updated rent payments using the same discount rate (unless the change in rent payments is due to a change in a variable interest rate, in which case an updated discount rate is used).
- A lease is amended, and the modification of the lease is not accounted for as a separate lease, in which case the lease liability is revalued based on the lease term of the modified lease, discounting the updated rent payments using an updated discount rate at the effective date of the modification.

The Company did not realize any of the adjustment mentioned on the periods presented.

Assets for rights of use consist of the initial measurement of the corresponding lease liability, rent payments made on or before the start date, minus any lease incentive received and any initial direct costs. Subsequent valuation is cost less accumulated depreciation and impairment losses.

If the Company incurs an obligation arising from costs of dismantling and removing a leased asset, restore the place in which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision measured in accordance with IAS 37 must be recognized. To the extent that costs are related to an asset for use rights, costs are included in the asset for related use rights, unless such costs are incurred to generate inventories.

The right-of-use assets depreciate over the shortest period between the lease period and the useful life of the underlying asset. If a lease transfer ownership of the underlying asset or the cost of the asset for rights of use reflects that the Company plans to exercise a purchase option, the right-of-use asset will depreciate over the useful life. Depreciation begins on the start date of the lease.

Right-of-use assets are presented as a separate concept in the consolidated statement of financial position.

The Company applies IAS 36 to determine if a right-of-use asset is impaired and accounts for any impairment loss identified as described in the "Property, plant and equipment, net" policy.

Leases with variable incomes that do not depend on an index or rate, they are not included in the measurement of the lease liability and the right-of-use asset. Related payments are recognized as an expense in the period in which the event or condition that triggers the payments occurs and is included in the concept of "Other expenses" in the consolidated statement of profit (see Note 26).

s) Transactions in foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Assets and liabilities in foreign currencies are translated in functional currency at the rates prevailing at consolidated financial statement's date and exchange fluctuations are recognized in the year's statement, excepting the balances with related parties in foreign currency, in which case it's payment has not been planned and it is not anticipate to pay in the future as a result, it's balances are permanent investment. Exchange differences on monetary items are recognized in "Other Comprehensive Income" in the period as part of the result from translation.

In preparing the financial statements of each individual entity, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items carried at fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

The differences in currencies are recognized in the profit statement, except for the differences in currencies that come from transactions relates to risk management rates.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into U.S. dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

The exchange rates used in the conversion are presented below:

MXN	December 31, 2023	December 31, 2022	December 31, 2021
Closing exchange rate	16.9220	19.4143	20.5835
Average exchange rate	17.7597	20.1222	20.2832

The exchange rate at the date of issuance of the consolidated financial statements is $ 17.1098 pesos per U.S. dollar.

v) Short-term and other long-term employee benefits and statutory employee profit sharing "PTU"

Employee benefits for pension and retirement

Contributions to the defined benefit retirement benefit plans are recognized as expenses at the time the employees have rendered the services that grant them the right to contributions. Contributions made to the benefit plan of the state pension scheme are accounted for as payments for the contribution plans of the Companys obligations, this under the plans that are equivalent to the contributions of the pension benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statements of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in other comprehensive income and is not subsequently reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements),
- Net interest expense,
- Remeasurement.

The Company presents the first two components of defined benefit cost in the consolidated statement of income according to their respective nature. Gains and losses for service reduction are recognized as costs for past services.

The retirement benefit obligation recognized in the consolidated statements of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Any termination obligation is recognized at the time that the Company can no longer withdraw the compensation offer and/or when the Company recognizes the related restructuring costs. Gains and losses on service reduction are recognized as past service costs. In Mexico, termination benefits consist of a single payment equivalent to three months of salary plus 20 days for each year of service, in case of unjustified dismissal.

Defined benefits plan and seniority premiums granted to employees of subsidiaries in Mexico

The Company has a defined benefit pension covering all employees in the Mexican subsidiaries. Pensions are determined based on the compensation of employees in their final year of service, years of service in the Company and the age at retirement. Additionally, it is required to cover the employees with seniority premiums in Mexico, which are determined based on the provisions of the Federal Labor Law. Under Mexican law, the payment is equivalent to twelve days' salary for each year of service, where an employee becomes entitled to benefits after fifteen years of service. The cost of pension and seniority premiums are recognized based on calculations by independent actuaries using the projected unit credit method.

Defined benefit plans and seniority premiums granted to employees of subsidiaries in the United States

The subsidiaries of the Company, GCC Rio Grande, Inc. (GCCRG) and GCC Dacotah (Dacotah), Inc., have established the following pension plans and benefits:

GCCRG and Dacotah, have both established defined benefit plans and supplemental executive retirement plans, determined based on actuarial calculations using the projected unit credit method and nominal financial assumptions.

The employees of GCCRG and Dacotah are not beneficiaries of this plan until they have a seniority of five and three years, respectively. When they fulfill such terms, they are 100% beneficiaries of the plan. Additionally, GCCRG, Dacotah, CRM, GCCE, Midco, GCCAC, GCC Three Forks, GCC Permian, GCC Sun City and Alliance have a defined contribution plan, which qualifies as a 401(k) plan and covers substantially all of their employees. The Company matches contributions up to 4.0% of their salary paid. Dacotah also has a sick leave plan as described in Note 19. All gains and losses from remeasurements associated with changes in actuarial assumptions and losses are recognized in other comprehensive income for all defined benefit plans and are not reclassified to earnings in future periods. The financial cost component that is part of the net periodic cost is presented in financial expenses in the consolidated statements of profit.

<u>Short-term and other long-term employee benefits</u>

A liability is recognized for benefits accruing to employees with respect to wages and salaries, annual leave and sick leave in the period of service in which it is provided for the undiscounted amount for the benefits expected to be paid for that service.

Liabilities recognized for short-term employee benefits are valued at the amount not discounted for the benefits expected to be paid for that service.

Liabilities recognized for other long-term benefits are valued at the present value of the estimated future cash disbursements that the Company expects to make related to the services provided by the employees at the reporting date.

Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce the cost of service by paying these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, accounting depends on whether contributions are linked to the service, as follows:

- If contributions are not tied to services (for example, contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), reflected in the new measurement of net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. By the amount of contribution that depends on the number of years of service, the Company reduces the cost of service by attributing contributions to service periods, using the attribution method required by IAS 19 paragraph 70 for gross profit. For the amount of the contribution that is independent of the number of years of service, the Company reduces the cost of service by attributing contributions to employee service periods, in accordance with IAS 19 paragraph 70.

Statutory employee profit sharing (PTU)

PTU is recorded in the profit (loss) for the year in which it is incurred and presented under operating expenses in the consolidated statements of profit.

As a result of the Income Tax Law of 2014, as of December 31, 2023, 2022 and 2021, the PTU is determined based on the taxable income under Section I of Article 9 of the same Law.

w) Share-based payments arrangements

Share-based payment transactions of the Company

Equity-settled share-based payment to employees is measured at the fair value of the equity instruments at the date they are granted. Details regarding the determination of the fair value of equity-settled share-based transactions are presented in Note 24.

The fair value determined at the date granting the payments based on shares that can be settled through equity instruments is recorded as an expense on a straight-line basis during the vesting period, based on the Company's estimate of the equity instruments that they will eventually be awarded with a corresponding increase in equity. At the end of each period, the Company reviews its estimates of the number of equity instruments that are expected to be forfeited. The effect of the change in the original estimates, if any, is recognized in the results of the period so that the cumulative expense reflects the revised estimate, with the corresponding adjustment to equity.

x) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The effect on the Income Statement caused by income taxes recognize the amounts caused on the period, as well as deferred income taxes, determined according by the tax legislation, reflecting, uncertainty on tax treatments.

Current income tax is payable on the taxable base of the year. Taxable income differs from net income as reported in profit or loss because it excludes components of income or expenses that are cumulative or deductible in other years and excludes components that have never been cumulative or deductible. The Companys liabilities for the taxes caused are calculated using the tax rates that have been decreed at the end of the reporting period.

A provision is recognized for those reasons where the tax determination is uncertain, but it is considered probable that there is a future outflow of funds for a tax authority. Provisions are valued at the best amount expected to become payable. The evaluation is based on the judgment of tax experts supported by previous experiences of the Company in these types of activities and in some cases based on the consultation of an independent tax specialist.

Deferred income tax

Deferred income taxes are recognized on temporary differences between the book value of the assets and liabilities included in the financial statements and the corresponding tax bases used to determine the fiscal result, to which the corresponding tax rate is applied. Differences and, if applicable, include the benefits of the tax losses to be amortized and of some tax credits. The deferred income tax asset or liability is generally recognized for all temporary tax differences. A deferred tax asset will be recognized for all deductible temporary differences, to the extent that it is probable that the Company will have future taxable profits against which these deductible temporary differences may apply. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (different from the business combination) of other assets and liabilities in an operation that does not affect the fiscal result or the accounting result.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right that allows offsetting current tax assets against current tax liabilities and when they are related to income taxes collected by the same tax authority and the Company has the intention to settle your current tax assets and liabilities on a net basis.

Income tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

y) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, an account receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the account receivable can be measured reliably.

Restoration provisions

Provisions for the costs of restoring plant assets leased to their original condition, as stipulated in the terms and conditions of the lease, are recognized when the obligation is incurred, either on the start date of the lease or as a consequence having used the underlying asset during a particular period of the lease for the amount that management reasonably estimates will be required to restore the assets. The estimates are reviewed on a regular basis and are appropriately adjusted to the new circumstances that arise.

z) Revenue recognition

Revenue is recognized at a point in time or over time in the amount of the price, before tax on sales, expected to be received by the Company's subsidiaries for goods and services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated in consolidation.

Variable consideration is recognized when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Revenue and costs from trading activities, in which the Company acquires finished goods from a third party and subsequently sells the goods to another third-party, are recognized on a gross basis, considering that the Company assumes ownership risks on the goods purchased, not acting as agent or broker.

When revenue is earned over time as contractual performance obligations are satisfied, which is the case of construction contracts, the Company applies the stage of completion method to measure revenue, which represents: a) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; b) the surveys of work performed; or c) the physical proportion of the contract work completed, whichever better reflects the percentage of completion under the specific circumstances. Revenue and costs related to such construction contracts are recognized in the period in which the work is performed by reference to the contract's stage of completion at the end of the period, considering that the following have been defined: a) each party's enforceable rights regarding the asset under construction; b) the consideration to be exchanged; c) the manner and terms of settlement; d) actual costs incurred and contract costs required to complete the asset are effectively controlled; and e) it is probable that the economic benefits associated with the contract will flow to the Company.

Progress payments and advances received from customers (contract liabilities) do not reflect the work performed and are recognized as a short-term or long-term advanced payments, as appropriate.

aa) Earnings per share

Net earnings per share result from dividing the consolidated net income attributable to controlling interest for the year by the weighted average of outstanding shares during the year. To determine the weighted average of the outstanding shares, the shares repurchased by the Company are excluded.

Earnings (loss) per share should reflect in both the numerator and denominator the assumption that convertible instruments can be converted, that options can be exercised, or ordinary shares subject to specified conditions are issued, to the extent that such assumption results in a reduction in basic earnings per share or increase in basic loss per share, otherwise, the effects of potential shares are not considered because they generate antidilution.

ab) Treasury shares

The Company recognizes a reserve for repurchase of its own shares and it is presented within retained earnings in the consolidated financial statements. In the event that the sale price is greater than the cost, the difference is recorded as contributed capital within additional-paid-in capital.

ac) Presentation of the consolidated statements of profit

The costs and expenses reflected in the consolidated statements of profit of the Company were classified according to their function, in Note 25, costs and expenses by nature are disclosed. The gross profit is presented because it shows an objective assessment of operating margin, considering the industry in which the Company operates.

The line "Other expenses, net" on the Consolidated statements of profit is integrated mostly by incomes and expenses that are not related directly with the principal activities of the Company.

The Company chose to present the earnings in two statements: the first includes only the net earning or loss and is denominate "Consolidated Statements of profit", and the second statement that includes net earnings or loss that concludes the profit statements and presents the other incomes and the participation of affiliates. It is called the "Consolidated statement of other comprehensive income".

ad) Presentation of the Consolidated statement of Cash Flow.

The Consolidated statement of Cash flow of the Company is represented using the indirect method.

ae) Segment information

Operating segments are defined as components of a Company that develop activities and which economic benefits and results obtained are reviewed by management on a regular basis for decision making.

The Company's management analyzes geographical segment information by country and by product. Consequently, management evaluates the performance of its operating results for Mexico and the United States of America for the following products: cement, ready mix concrete and the rest of the segments are grouped in "Other" (see Note 27).

Under the concept "Other" are included products with similar characteristics related to the core business such as the sale of aggregates, concrete blocks and other building materials.

5. Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 4, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the change affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of property, plant and equipment. - The Company reviews the estimated useful life of property, plant and equipment at the end of each annual period. The degree of uncertainty related to the estimated useful lives is related to the changes in the market and the use of assets for production volumes as well as technological developments.

b) Impairment of non-financial assets. - When testing assets for impairment, the Company estimates the value in use assigned to property, plant and equipment, and of its cash generating units. The calculations of value in use require the Company to determine future cash flows generated by cash generating units and an appropriate discount rate to calculate the present value thereof. The Company uses cash inflow projections using estimated market conditions, determination of future prices of products and volumes of production and sale. Similarly, for discount rate and perpetuity growth purposes, the Company uses market risk premium indicators and long-term growth expectations of markets where the Company operates.

c) Contingencies. - The Company is subject to contingent transactions or events on which it uses professional judgment in the development of estimates of occurrence probability. The factors considered in these estimates are the current legal situation as of the date of the estimate, and the legal advisors' opinion.

d) Deferred income tax. - Deferred tax assets are recognized for all tax loss carry forwards to the extent that management believes that recovery is probable through the generation of future taxable income, which are estimated using future flows.

e) Discount rates used to determine the carrying amount of the Company's defined benefit obligations and the right-of-use assets. - The determination of the benefits of borrowed obligations and right-of-use assets depend on some assumptions, they include the selection and calculation of the discount rates:

The discount rate for the benefits of borrowed obligations – is determined by reference to market performance at the end of the period in corporate bonds. Significant assumptions need to be made when setting criteria for the bonds and must be included in the yield curve. The most important criteria to consider for bond selection includes the current size of corporate bonds, the quality and identification of the guidelines that are excluded.

The discount rate for right-of-use assets - is determined by estimating the interest rate that a lessee would have to pay to borrow for a similar term and with a similar guarantee, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

These assumptions are considered as keys to the estimation of uncertainty, as they may have a significant effect on the Entity's Financial Statements for the following year.

f) Lease terms. - The Company has the option to renew some of its lease agreements, particularly those related to rail cars. As there is a reasonable certainty that these leases will be renewed, management has estimated the lease period most probable of being utilized. Additionally, these contracts are historically renewed under market conditions at the expiration date, which impacts the estimate associated with the lease liability and right of use asset.

g) Uncertain tax positions. - The Company evaluates uncertain tax positions separately or in conjunction with one or more uncertain tax positions based on the relevant circumstances. Management estimates the expected resolution of the uncertainty and recognizes a provision based on the amount that is not probable to be sustained based on all legal avenues available. Due to the uncertainty associated with such tax positions, there is a possibility that at the ultimate result could differ from the amount recognized.

6. Cash and cash equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand and in banks and investment instruments in the money market with original maturities of less than three months as of December 31, 2023, 2022 and 2021, as follows:

	2023	2022	2021
Cash and bank balances	$ 265,900	$ 309,677	$ 255,697
Short term deposits	692,825	516,550	427,265
	$ 958,725	**$ 826,227**	**$ 682,962**

7. Trade accounts receivable and other accounts receivable

Balances receivable from customers and allowance for doubtful accounts as of December 31, 2023, 2022 and 2021, are as follows:

	2023	2022	2021
Accounts receivable	$ 150,194	$ 112,929	$ 109,934
Expected credit loss	(7,736)	(7,800)	(7,056)
	$ 142,458	**$ 105,129**	**$ 102,878**

Movements in the Expected credit loss are as follows:

	2023	2022	2021
Beginning balance	$ (7,800)	$ (7,056)	$ (9,251)
Increases during the year	(2,502)	(5,074)	(5,912)
Write-offs	3,187	4,577	7,979
Translation effect	(621)	(247)	128
	$ (7,736)	**$ (7,800)**	**$ (7,056)**

The impairment loss on financial assets, included on the accounts receivables, are recognized using expected credit loss assessment (ECL) for all the entire lifetime of the asset in their initial recognition, and in subsequent period, even in the absence of a loss, considering for their measure on past events and actual conditions, based on moderate expectations that affects the collectability. We segment our accounts receivables by country, customer type or credit risk and we determined for each segment an average rate of impairment loss, considering the real experience of credit loss of the last 24 months and the possible future bad debt, that is applied to each balance of the accounts receivable. The average rate of the impairment loss increases in each segment of days of bad debt up to 100% for 365 or more days.

The credit risk in accounts receivable from clients is diversified as the Company has a broad client base that is geographically dispersed in both Mexico and the United States of America, which is why their management of the credit and collection is based on the commercial practices in each country.

In Mexico, the management is responsible and has the ability to establish the processes and procedures for the administration of the guarantees that support the existing credit lines. A client's credit is suspended when it account reaches the credit limit granted, if it presents past due balances or if there is potential risk of non-collection. The Company's management can authorize payment plans with clients up to four months and at a competitive rate according to the market, to validate past due accounts.

In the United States of America, the average credit term on the sale of goods is 60 days. There is no interest charge on accounts receivable from customers for the first 60 days after billing. After that date, 18% annual interest is charged on the outstanding balance. The Company has recognized an allowance for doubtful accounts for 95% of all accounts receivable that are 120 days old or more, because from experience accounts receivable overdue for more than 120 days are not recovered. For accounts receivable that are between 60 and 120 days old, an allowance for doubtful accounts is recognized based on irrecoverable amounts determined by the counterparty default experiences and an analysis of their current financial position.

There has been no change in the estimation of the techniques or assumptions made during the period.

Before accepting any new client, the Company uses an internal credit rating system to assess the credit quality of the potential client and defines the credit limits per client. The limits and ratings attributed to clients are reviewed once a year or at the end of each project, when this is the case. 55% of accounts receivable from customers that are not due or impaired have the highest attributable credit rating according to the internal credit rating system used by the Company.

From the balance of accounts receivable from customers at year-end, the customer with the most significant balance as of December 31, 2023, 2022 and 2021, owes $ 6,240, $ 5,318 and $ 4,716 respectively. No other customer accounts for more than 4.9% of the total balance of accounts receivable.

The balance of other accounts receivable are as follows:

		2023		2022		2021
Recoverable taxes	$	24,662	$	26,705	$	30,668
Other		5,621		5,121		3,435
	$	**30,283**	**$**	**31,826**	**$**	**34,103**

8. Balance and transactions with related parties

a) As of December 31, 2023, 2022 and 2021, the accounts receivable from related parties are as follows:

Accounts receivable		**2023**		**2022**		**2021**
Inmobiliaria Ruba, S. A. de C. V.	$	1,018	$	1,486	$	1,218
Copachisa, S. A. de C. V.		969		3,465		1,169
Abastecedora de Fierro y Acero, S. A. de C. V.		188		606		682
Cemex, S. A. B. de C. V.		41		143		127
	$	**2,216**	**$**	**5,700**	**$**	**3,196**

Balances due from related parties are considered recoverable, this is evaluated according to the impairment loss on financial assets described in Note 7. Accordingly, for the years ended December 31, 2023, 2022 and 2021, there was no expense resulting from the uncollectible balances due from related parties, considering their expected credit loss.

b) As of December 31, 2023, 2022 and 2021, accounts payable to related parties are as follows:

Accounts payable		2023		2022		2021
Cemex, S. A. B. de C. V.	$	74	$	1,902	$	1,586
Madata IT, S. A. de C. V.		882		610		979
Abastecedora de Fierro y Acero, S. A. de C. V.		33		35		137
	$	**989**	**$**	**2,547**	**$**	**2,702**

c) During the years ended December 31, 2023, 2022 and 2021, the Company had transactions with related parties, as follows:

Sales of cement and construction materials		2023		2022		2021
Inmobiliaria Ruba, S. A. de C. V.	$	11,618	$	8,349	$	6,054
Copachisa, S. A. de C. V.		13,700		10,602		3,127
Abastecedora de Fierro y Acero, S. A. de C. V.		3,083		2,543		1,705
Cemex, S. A. B. de C. V.		-		199		21
	$	**28,401**	**$**	**21,693**	**$**	**10,907**

Purchases of inventories and other services		2023		2022		2021
Madata IT, S. A. de C. V.	$	6,449	$	5,834	$	5,277
Cemex, S. A. B. de C. V.		7,775		8,572		5,524
Abastecedora de Fierro y Acero, S. A. de C. V.		742		736		380
	$	**14,966**	**$**	**15,142**	**$**	**11,181**

d) An analysis of employee benefits granted to the Company's directors and senior management for the years ended December 31, 2023, 2022 and 2021, is as follows:

		2023		2022		2021
Short-term benefits	$	9,901	$	9,547	$	6,699

		2023		2022		2021
Long-term benefits	$	2,301	$	2,347	$	1,142

9. Inventories

An analysis of this line item as of December 31, 2023, 2022 and 2021, is as follows:

		2023		2022		2021
Finished goods	$	47,313	$	34,162	$	32,719
Work in process		33,295		26,542		20,559
Raw materials and spare parts		65,516		49,533		44,965
Developed land for sale		37,343		35,864		33,224
	$	**183,467**	**$**	**146,101**	**$**	**131,467**

The amount of inventories that was recognized in cost of sales in 2023, 2022 and 2021 amounted to $862,205, $803,844 and $ 707,484, respectively.

During the years ended December 31, 2023, 2022 and 2021, there were no decreases in inventory due to impairment.

10. Right of use assets

The Company leases various assets, including rail cars, heavy machinery and vehicles. The average lease term is five years for 2023, 2022 and 2021.

The main contracts entered into by the Company as a lessee do not have the option of buying the leased assets for a nominal amount at the end of the lease period. The obligations of the Company are secured by the title of the lessor to the assets leased in such leases.

New leases replaced overdue contracts with identical underlying assets. This resulted in the additions of lease right of use assets as of December 31, 2023, 2022 and 2021, for $ 18,168, $ 18,627 and $ 4,800, respectively. For 2023, the additions were of rail cars for $ 12,602, machinery and equipment for $ 2,017, vehicles for $ 1,759 and properties for $ 1,792. For 2022, the additions were rail cars for $ 12,489, machinery and equipment for $ 2,132, vehicles for $ 2,389 and properties for $1,617. For 2021, additions were railcars for $4,714, machinery and equipment for $20, transportation equipment for $66.

The lease right of use asset recognized in the consolidated statement of financial position as of December 31, 2023, 2022 and 2021, is integrated as follows:

Right of use asset	Rail cars	Machinery and equipment	Vehicles	Property	Total
As of December 31, 2021	$ 14,584	$ 2,252	$ 1,607	$ 1,360	$ 19,803
As of December 31, 2022	$ 14,894	$ 1,486	$ 2,925	$ 1,918	$ 21,223
As of December 31, 2023	$ 18,403	$ 1,846	$ 3,829	$ 2,942	$ 27,020
Depreciation expense 2023	$ (9,575)	$ (698)	$ (1,330)	$ (770)	$ (12,373)
Depreciation expense 2022	$ (9,430)	$ (2,252)	$ (1,019)	$ (1,090)	$ (13,791)
Depreciation expense 2021	$ (10,751)	$ (851)	$ (1,254)	$ (95)	$ (12,951)

During the years ended December 31, 2023, 2022 and 2021, low-value asset leases, short-term lease and leases with variable payments, are not relevant.

The weighted average incremental rates on which the minimum payments of the lease agreements within the scope of IFRS 16 for the 2023, 2022 and 2021 contracts were discounted to present value were 3.61%, 3.61% and 3.31% respectively.

11. Lease liability

As of December 31, 2023, 2022 and 2021, changes in the lease liability related to the finance activities in accordance with the consolidated statement of cash flows are integrated as follows:

	2023	2022	2021
Beginning balance as of January 1,	$ 21,124	$ 16,409	$ 26,511
New contracts	18,168	18,627	4,800
Adjustments to the liability balance	-	-	135
Interest expense for lease liabilities	804	1,013	1,001
Lease payments	(12,234)	(14,925)	(16,038)
End balance	**$ 27,862**	**$ 21,124**	**$ 16,409**

The leases liability are integrated by:

	2023	2022	2021
Short-term	9,443	9,010	14,352
Long-term	18,419	12,114	2,057
End balance	**$ 27,862**	**$ 21,124**	**$ 16,409**

The total of future fixed payments of leases that include un-accrued interest is analyzed as follows:

Maturity analysis	
2024	$ 11,196
2025	7,839
2026	4,296
2027	2,298
2028	1,278
2029 and subsequent	1,998
	28,905
Un-accrued interest	(1,043)
	$ 27,862

The Company does not face a significant liquidity risk with respect to its lease liabilities. The Company's treasury department monitors lease liabilities.

12. Prepaid expenses

An analysis of this line item as of December 31, 2023, 2022 and 2021, is as follows:

	2023	2022	2021
Advances to suppliers	$ 10,814	$ 9,511	$ 6,430
Prepaid expenses	3,215	3,228	6,422
	$ 14,029	**$ 12,739**	**$ 12,852**

13. Investments in associates, joint ventures and other investments

a) An analysis of this line item as of December 31, 2023, 2022 and 2021, is as follows:

	% Equity Interest	2023	2022	2021
Associated companies:				
Operadora y Tenedora de Acciones, S. A. de C. V.	17.5	$ 17,706	$ 12,587	$ 11,914
Servicios de Previsión Integral, S. A. de C. V.	33.3	8,221	6,721	5,733
Total associates		$ 25,927	$ 19,308	$ 17,647
Joint ventures:				
Madata IT, S. A. de C. V.	58.0	2,924	2,578	2,269
Desarrolladora de Infraestructura Productiva, S. A. de C. V.	50.0	642	630	726
Total joint ventures		$ 3,566	$ 3,208	$ 2,995
Other investments		681	534	1,246
		$ 30,174	**$ 23,050**	**$ 21,888**

b) The net income of the entities are recognized under the equity method in 2023, 2022 and 2021 as follows:

	2023	2022	2021
Associates:			
Operadora y Tenedora de Acciones, S.A. de C.V.	$ 2,844	$ 2,003	$ 2,233
Servicios de Previsión Integral, S.A. de C.V.	476	1,015	717
Total asociadas	$ 3,320	$ 3,018	$ 2,950
Joint ventures:			
Madata IT, S.A. de C.V.	(29)	318	99
Desarrolladora de Infraestructura Productiva, S.A. de C.V.	9	(52)	(59)
Total investments	$ (20)	$ 266	$ 40
	$ 3,300	**$ 3,284**	**$ 2,990**

During the years 2023, 2022 and 2021, associates do not distributed dividends.

14. Property, plant and equipment

An analysis of this line item as of December 31, 2023, is as follows:

	December 31, 2022	Additions	Disposals	Transfers	Depreciation	Translation effect	December 31,2023
Property	$ 373,324	$ 2,858	$ (707)	$ 13,304	$ -	$ 16,448	$ 405,227
Machinery and equipment	1,096,498	15,139	(2,174)	18,282	-	55,759	1,183,504
Vehicles	158,176	12,693	(2,863)	4,047	-	9,716	181,769
Furniture and equipment	33,330	719	(101)	1,540	-	2,647	38,135
Accumulated depreciation	(1,101,284)	-	4,692	-	(70,181)	(64,438)	(1,231,211)
Net carrying amount	560,044	31,409	(1,153)	37,173	(70,181)	20,132	577,424
Land	202,541	968	(2,812)	21	-	8,520	209,238
Investments projects in process	239,709	150,979	-	(37,814)	-	8,345	361,219
	$ 1,002,294	**$ 183,356**	**$ (3,965)**	**$ (620)**	**$ (70,181)**	**$ 36,997**	**$ 1,147,881**

An analysis of this line item as of December 31, 2022, is as follows:

	December 31, 2021	Additions	Disposals	Transfers	Depreciation	Translation effect	December 31,2022
Property	$ 365,800	$ 1,006	$ -	$ 203	$ -	$ 6,315	$ 373,324
Machinery and equipment	1,052,272	16,396	(2,802)	8,943	-	21,689	1,096,498
Vehicles	144,598	13,634	(6,188)	2,749	-	3,383	158,176
Furniture and equipment	30,518	1,563	(31)	342	-	938	33,330
Accumulated depreciation	(1,015,092)	-	8,429	-	(72,337)	(22,284)	(1,101,284)
Net carrying amount	578,096	32,599	(592)	12,237	(72,337)	10,041	560,044
Land	197,983	1,277	(1)	-	-	3,282	202,541
Investments projects in process	158,031	92,697	-	(12,277)	-	1,258	239,709
	$ 934,110	**$ 126,573**	**$ (593)**	**$ (40)**	**$ (72,337)**	**$ 14,581**	**$ 1,002,294**

An analysis of this line item as of December 31, 2021, is as follows:

	December 31, 2020	Additions	Disposals	Transfers	Depreciation	Translation effect	December 31,2021
Property	$ 366,917	$ 3,526	$ (1,266)	$ 103	$ -	$ (3,480)	$ 365,800
Machinery and equipment	1,049,104	15,412	(692)	5,863	-	(17,415)	1,052,272
Vehicles	140,414	10,393	(5,007)	508	-	(1,710)	144,598
Furniture and equipment	28,757	1,625	(8)	594	-	(450)	30,518
Accumulated depreciation	(959,283)	-	5,480	-	(73,442)	12,153	(1,015,092)
Net carrying amount	625,909	30,956	(1,493)	7,068	(73,442)	(10,902)	578,096
Land	190,185	7,721	(292)	1,048	-	(679)	197,983
Investments projects in process	139,498	31,535	-	(12,819)	-	(183)	158,031
	$ 955,592	**$ 70,212**	**$ (1,785)**	**$ (4,703)**	**$ (73,442)**	**$ (11,764)**	**$ 934,110**

As of December 31, 2023, construction in progress is mainly related to improvements in the cement plants for $ 361,219, which are distributed in the United States of America and México for $ 282,751 and $ 78,468, respectively. In addition to the installation of the furnace 3 in the United States of America for $ 132,495 and the increase in production capacity on plant Samalayuca, Mexico.

The capitalized borrowing costs are included in the category of property, plant and equipment and depreciated over the useful life of such assets.

The balances of construction in progress for the years ended December 31, 2023, 2022 and 2021 is as follows:

Cumulative amount of	
	Investment for the acquisition of qualifying assets
Construction in progress 2023	$ 150,979
Construction in progress 2022	$ 92,697
Construction in progress 2021	$ 31,535

The depreciation expense recognized in net income statement for the years ended December 31, 2023, 2022 and 2021 was $ 70,181, $ 72,337 and $ 73,442, respectively.

Machinery and equipment include strategic spare parts of $ 23,907, $ 19,887 and $ 19,078 as of December 31, 2023, 2022 and 2021, respectively.

15. Goodwill

As of December 31, 2023, 2022 and 2021, this line item is as follows:

	2023	2022	2021
Beginning balance	$ 212,598	$ 212,598	$ 212,598
Ending balance	**$ 212,598**	**$ 212,598**	**$ 212,598**

The main cash generating units (CGU) with goodwill and their book values as of December 31, 2023, 2022 and 2021 are described as follows:

	2023	2022	2021
Cement and energy division (USA)	$ 136,913	$ 136,913	$ 136,913
Concrete division (USA)	75,685	75,685	75,685
	$ 212,598	**$ 212,598**	**$ 212,598**

Assessment of goodwill impairment

The behavior of the economic and competition trends in the markets where the Company operates have a significant impact in the assessment of goodwill impairment and the determination of recovery values of its cash-generating units. The total goodwill balance arose from business combinations in the United States of America.

The following factors are considered to assess the recoverable value:

- Market share and expected price levels
- Size of the market where the Company operates for purposes of estimating the recoverable values
- Behavior of main costs of raw materials and inputs, and the expenses necessary to maintain fixed assets in operational conditions
- The specific discount rate of the country where the Company operates, based on the weighted cost of capital and variables of market conditions as of the measurement date
- Estimated perpetuity growth rate

Below are the parameters used to measure the recoverable value of the cash-generating units to which goodwill is assigned:

- Cash flow projections of the next five years based on the estimates performed during the last quarter of the year of the assessment date, considering the budget approved by Management as a baseline, which includes the most recent trends
- A discount rate of the country where the Company operates, which considers specific market risks
- Perpetuity growth rate for the business segment and the market where the Company operates

Below are the discount and perpetuity growth rates corresponding to the United States of America market used for the periods ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
Discount rate	9.5%	8.3%	5.9%
Perpetuity growth rate	2.0%	2.2%	2.4%

As of December 31, 2023, the Company performed a sensitivity analysis on the impact of a possible increase or decrease of one percentage point in the discount rate and the perpetuity growth rate for the Cash Generating Units and is as follows:

Cash generating unit	Excess recoverable value over carrying amount	Impact on decrease or increase			
		Discount rate		Perpetuity growth rate	
		+ 1%	- 1%	+ 1%	- 1%
Cement and energy division	$ 2,505	$ 2,123	$ 2,998	$ 2,669	$ 2,381
Concrete division (USA)	158	115	214	186	137

16. Intangible assets

As of December 31, 2023, this item is as follows:

	Useful life	December 31, 2022	Investments	Amortization	Translation effect	December 31, 2023
Customer relations	20 and 15	$ 57,330	$ -	$ -	$ -	$ 57,330
Non-compete agreements	5	25,258	-	-	(657)	24,601
Software licenses	5	26,318	293	-	2,273	28,884
Leasehold improvements	5 and 15	20,808	111	-	320	21,239
Mining rights		2,626	-	-	207	2,833
Installation expenses		1,629	-	-	-	1,629
Accumulated amortization		(76,546)	-	(8,999)	(523)	(86,068)
		$ 57,423	**$ 404**	**$ (8,999)**	**$ 1,620**	**$ 50,448**

As of December 31, 2022, this item is as follows:

	Useful life	December 31, 2021	Investments	Amortization	Translation effect	December 31, 2022
Customer relations	20 and 15	$ 57,330	$ -	$ -	$ -	$ 57,330
Non-compete agreements	5	25,258	-	-	-	25,258
Software licenses	5	25,348	114	-	856	26,318
Leasehold improvements	5 and 15	19,738	1,037	-	33	20,808
Mining rights		2,546	-	-	80	2,626
Installation expenses		1,629	-	-	-	1,629
Accumulated amortization		(69,098)	-	(7,119)	(329)	(76,546)
		$ 62,751	**$ 1,151**	**$ (7,119)**	**$ 640**	**$ 57,423**

As of December 31, 2021, this item is as follows:

	Useful life	December 31, 2020	Investments and amortization	Amortization	Translation effect	December 31, 2021
Customer relations	20 and 15	$ 57,330	$ -	$ -	$ -	$ 57,330
Non-compete agreements	5	25,258	-	-	-	25,258
Software licenses	5	23,789	1,982	-	(423)	25,348
Leasehold improvements	5 and 15	16,052	3,704	-	(18)	19,738
Mining rights		2,588	-	-	(42)	2,546
Installation expenses		1,629	-	-	-	1,629
Accumulated amortization		(59,880)	-	(10,200)	982	(69,098)
		$ 66,766	**$ 5,686**	**$ (10,200)**	**$ 499**	**$ 62,751**

17. Other assets

As of December 31, 2023, 2022 and 2021, this item consists of the following:

	2023	2022	2021
Long-term accounts and notes receivable	$ 3,957	$ 2,594	$ 10,846
Operation permits and others	8,114	5,811	5,045
Guarantee deposits	1,040	1,105	1,026
Restricted cash	683	354	665
	$ 13,794	**$ 9,864**	**$ 17,582**

Restricted cash consists of cash deposited in an escrow account required by the State of Colorado's Mined Land Reclamation Board, in the United States of America, that the company will keep until a construction project that is in progress in that state and a cash deposit on a special account for the insurance supplier that has agreed to keep.

18. Accounts payable

Accounts Payable are integrated mostly to outstanding amounts for business purchases and ongoing costs. The average Credit period for the purchase of certain goods is 3 months. The entity has implemented a financial risk management policy to ensure the payment of the accounts Payable in accordance with pre-agreed Credit terms.

To ensure fast access to credits, GCC has negotiated Credit lines, agreed in consequence of the factoring, so the suppliers can decide to use it. The agreements allow suppliers to discount their invoices with the Banks, the discount represents less than the commercial cash discount. GCC will pay to the Banks the amount of the invoice according to the pay date required. GCC will not claim any commission or receive any economic Benefit, also will not pay any interest or commission for the Credit agreement.

The administration considers that the Account Receivable carrying value approximate to their fair value.

19. Employee benefits

Short-term benefits

Short-term employee benefits as of December 31, 2023, 2022 and 2021, are as follows:

	2023	2022	2021
Salaries and wages payable	$ 29,304	$ 23,846	$ 25,625
Vacations and vacation bonus	8,237	7,104	6,232
Social security contributions and other taxes	1,814	1,342	2,909
Other benefits	8,225	4,835	4,241
	$ 47,580	**$ 37,127**	**$ 39,007**

Post-retirement benefit obligation

a) Retirement benefits are granted through defined pension plans that cover all workers of the Mexican subsidiaries. Pensions are determined based on employees' salaries in their last year of work, seniority in the Company, and their age upon retirement. Seniority premiums are paid to personnel based on the provisions of the Mexican Labor Law.

b) The components of the net cost of the period charged to profit or loss for the years ended December 31, 2023, 2022 and 2021, as well as the employee benefit obligations as of such dates are integrated as follows:

Net cost of the year	2023	2022	2021
Mexico	$ 5,120	$ 3,064	$ 4,370
United States of America	3,748	3,474	3,463
	$ 8,868	**$ 6,538**	**$ 7,833**

The employee benefit obligation as of December 31, 2023, 2022 and 2021, is as follows:

Defined benefit obligations	2023	2022	2021
Mexico	$ 21,332	$ 15,584	$ 16,473
United States of America	11,854	15,895	23,357
	$ 33,186	**$ 31,479**	**$ 39,830**

Balances as of December 31, 2023, are as follows:

Defined benefit obligations (DBO)	Seniority premium	Pension plan	Total Mexico	Pension plan USA
DBO present value as of January 1, 2023	$ 1,058	$ 14,525	$ 15,583	$ 54,157
Service cost	69	1,818	1,887	1,190
Interest cost	94	1,607	1,701	2,558
Early retirement or settlement	416	1,116	1,532	-
Net cost of the period	$ 579	$ 4,541	$ 5,120	$ 3,748
Actuarial remeasurement	72	818	890	(53)
Benefits paid	(667)	(3,980)	(4,647)	(2,168)
Translation effect	-	4,386	4,386	-
	$ (595)	$ 1,224	$ 629	$ (2,221)
DBO present value as of December 31, 2023	$ 1,042	$ 20,290	$ 21,332	$ 55,684
Fair value of plan assets	-	-	-	(43,830)
Net liability	**$ 1,042**	**$ 20,290**	**$ 21,332**	**$ 11,854**

Plan assets (PA) are recognized at fair value; as of December 31, 2023, the changes to these assets are as follows:

2023	Mexico	USA
PA fair value as of January 1, 2023	$ (63)	$ (38,262)
Contributions made by the Company	-	(2,000)
Benefits paid	-	2,168
Expected return on assets	63	(5,736)
PA fair value as of December 31, 2023	**$ -**	**$ (43,830)**

Balances as of December 31, 2022, are as follows:

Defined benefit obligations (DBO)	Seniority premium	Pension plan	Total Mexico	Pension plan USA
DBO present value as of January 1, 2022	$ 1,182	$ 15,291	$ 16,473	$ 70,580
Service cost	69	1,527	1,596	1,622
Interest cost	77	1,273	1,350	1,852
Early retirement or settlement	9	109	118	-
Net cost of the period	$ 155	$ 2,909	$ 3,064	$ 3,474
Actuarial remeasurement	113	(1,754)	(1,641)	(17,686)
Benefits paid	(391)	(2,463)	(2,854)	(2,211)
Translation effect	-	542	542	-
	$ (278)	$ (3,675)	$ (3,953)	$ (19,897)
DBO present value as of December 31, 2022	$ 1,058	$ 14,525	$ 15,584	$ 54,157
Fair value of plan assets	-	-	-	(38,262)
Net liability	**$ 1,058**	**$ 14,525**	**$ 15,584**	**$ 15,895**

Plan assets (PA) are recognized at fair value; as of December 31, 2022, the changes to these assets are as follows:

2022	Mexico	USA
PA fair value as of January 1, 2022	$ (63)	$ (47,202)
Contributions made by the Company	-	(2,000)
Benefits paid	-	2,211
Expected return on assets	63	8,729
PA fair value as of December 31, 2022	**$ -**	**$ (38,262)**

Balances as of December 31, 2021, are as follows:

Defined benefit obligations (DBO)	Seniority premium	Pension plan	Total Mexico	Pension plan USA
DBO present value as of January 1, 2021	$ 1,318	$ 18,138	$ 19,456	$ 71,829
Service cost	73	1,441	1,514	1,817
Interest cost	75	1,216	1,291	1,646
Early retirement or settlement	184	1,381	1,565	-
Net cost of the period	$ 332	$ 4,038	$ 4,370	$ 3,463
Actuarial remeasurement	(67)	(754)	(821)	(2,454)
Benefits paid	(322)	(3,445)	(3,767)	(2,279)
Translation effect	(79)	(2,686)	(2,765)	-
	$ (468)	$ (6,885)	$ (7,353)	$ (4,733)
DBO present value as of December 31, 2021	$ 1,182	$ 15,291	$ 16,473	$ 70,559
Fair value of plan assets	-	-	-	(47,202)
Net liability	**$ 1,182**	**$ 15,291**	**$ 16,473**	**$ 23,357**

Plan assets (PA) are recognized at fair value; as of December 31, 2020, the changes to these assets are as follows:

2021	Mexico	USA
PA fair value as of January 1, 2021	$ (63)	$ (41,348)
Contributions made by the Company	-	(2,680)
Benefits paid	-	2,279
Expected return on assets	63	(5,453)
PA fair value as of December 31, 2021	**$ -**	**$ (47,202)**

The fair value of pension plan assets of the Company in its division in USA as of December 31, 2022, 2021 and 2020, is as follows:

	2023	2022	2021
Cash equivalents	$ 1,232	$ 921	$ 2,997
Listed Shares:			
USA companies	15,867	15,452	18,278
International companies	7,595	7,256	8,584
Fixed income exchange traded funds:			
Corporate bonds	16,097	11,922	13,930
USA government bonds	171	416	460
Other exchange traded funds	2,868	2,295	2,953
Total	**$ 43,830**	**$ 38,262**	**$ 47,202**

Level 1.- Quoted prices in active markets for identical assets

Fixed income consists of corporate bonds, government securities, and fixed income share funds. Government securities are measured by third party pricing sources. Corporate bonds are measured using either the yields currently available on comparable securities of issuers with similar credit ratings or using a discounted cash flows approach that utilizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such credit and liquidity risks. Fixed income share funds are measured at the net asset value per share multiplied by the number of shares held as of the measurement date. Hedge funds are investments structures that contain an array of investments strategies with a wide range of different securities, including derivatives instruments.

The most significant assumptions selected in the determination of the Company's labor obligations are as follows:

Actual rates	2023	2022	2021
Mexico			
Discount rates	10.20%	10.30%	8.40%
Salary increase rate	5.00%	5.00%	5.00%
United States of America			
Discount rates	4.76%	4.96%	2.67%
Salary increase rate	4.95%	4.93%	4.89%

The liability for employee benefits is sensitive to the movements of the interest rates used to discount the obligations, below, a sensitivity analysis is presented with scenarios of an increase and a decrease of 1% in the discount rate and salary increases, assuming that all other actuarial assumptions remain unchanged:

Sensitivity Analysis	Mexico	USA
DBO present value	$ 17,852	$ 55,684
+ 1 % Discount rate	16,108	50,046
- 1 % Discount rate	17,852	61,935

Plan assets in the United States of America:

The Company's investment policy for its pension plan is to balance the risk and return using a diversified portfolio consisting primarily of high-quality equity and fixed-income securities. Plan assets are managed by outside investment managers. Dacotah's Employee Pension Plan Committee provides oversight of the investments and the performance of the investment managers.

Equity securities consist of publicly traded U.S. companies and international companies. Publicly traded securities are valued at the closing prices reported in the active market in which the individual securities are traded.

These investments are made through funds-of-funds (commingled, multi-manager fund structures) and through direct investments in individual hedge funds. Hedge funds are primarily valued by each administrator based upon the valuation of the underlying securities and instruments and mainly by applying a market or income valuation methodology as appropriate depending on the specific type of security or instrument held. "Funds-of-funds" are valued based upon the net asset values of the underlying investments in hedge funds.

The Company's funding policy in the United States of America, is as follows:

The Company funds its pension plan and no contributions are made by employees. The Company funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the Company's actuary. However, the Company also may fund the plan in excess of the minimum required amount. Cash contributions in subsequent years will depend on a number of factors including the performance of plan assets.

401(k) Plans

GCCRG, GCC Dacotah, CRM, GCCE, Midco, GCCAC, GCC Permian, GCC Sun City, GCC Three Forks and Alliance, have defined contribution benefit plans (the Plans), which qualify as 401(k) plans and are based on the tax laws of the United States of America. The plans are available to substantially all employees. The Company matches contributions up to 4.0% of their salary paid. The Company's contributions to the plans recorded in the consolidated statements of profit for the years ended of December 31, 2023, 2022 and 2021, amounted to $ 3,173, $ 2,888, and $ 2,675, respectively.

Bonus Plan

The Company has a bonus plan. As of December 31, 2023, 2022 and 2021, the Company has provisioned for this purpose $ 10,342, $ 7,802, and $ 7,435, respectively.

Sickness Disability Plan

GCC Dacotah has a sickness disability leave plan, which pays employees 25% of their unused sick leave at their current pay rate, not to exceed 550 hours in total, per employee.

20. Financial instruments

Capital risk management

The objectives of the Company's capital management are primarily focused on ensuring that the financial requirements are met to continue as a going concern and to meet its growth objectives in order to maximize profits for shareholders, provide benefits for other stakeholders and to maintain an optimal capital structure. The Company manages the capital structure and makes adjustments considering the changes in economic conditions, its business, investment and growth plans and risk characteristics of the underlying assets.

The Company's management reviews monthly the ratios of financial debt and interest expense against the operating cash flow (adjusted EBITDA, which equals operating income before other expenses plus depreciation and amortization) for the purposes of complying with contract requirements and to maintain the net debt and interest rate hedging ratios. The Company's overall strategy remains consistent for all years presented.

Debt ratio

The debt ratio for the reporting period is as follows:

	2023	2022	2021
Financial debt [(i)]	$ 496,986	$ 496,684	$ 539,383
Cash and cash equivalents	958,725	826,227	682,962
Net debt	$ (461,739)	$ (329,543)	$ (143,579)
Stockholders' equity [(ii)]	$ 1,764,251	$ 1,423,812	$ 1,310,982
Net debt to equity ratio	**(26%)**	**(23%)**	**(11%)**

(i) Debt is defined as long and short-term loans, as described in Notes 4.h and 20.b.
(ii) Stockholders' equity includes all reserves and capital stock of the Company that are managed as capital.

Company's management actively manages the debt to equity, which has decreased significantly as of December 31, 2023 due to the amounts of cash and cash equivalents that the Company maintains.

Financial instruments category

	2023	2022	2021
Financial assets:			
Cash and cash equivalents	$ 958,725	$ 826,227	$ 682,962
Trade accounts receivable	142,458	105,129	102,878
Others	5,621	5,121	3,435
Due from related parties	2,216	5,700	3,196
Long-term accounts and notes receivable	3,957	2,594	10,846
Restricted cash	683	354	665
Financial liabilities at amortized cost:			
Trade accounts payable	$ 155,278	$ 149,604	$ 111,873
Due to related parties	989	2,547	2,702
Payables and financial debt	496,986	496,684	539,383
Lease liability	27,862	21,124	16,409

Financial risk management objectives

The Company's Corporate Treasury function provides services to businesses, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports, which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and risk of interest rate of the cash flow.

The Corporate Treasury function applies the policies authorized by the Board of Directors to mitigate risk exposures.

The main risks associated with the financial instruments of the Company are:

- Market risks
- Credit Risk
- Liquidity Risk

The Board of Directors, upon recommendation from the Audit and Corporate Practices Committee, reviews and approves the risk management policies of the Company. For the years ended December 31, 2023, 2022 and 2021, the Company has not contracted any derivative financial instrument.

i) Market Risk: interest rate

Market risk is the risk of the market prices changes, for example, on the conversion rates, interest rates or shares prices that affect the Company's incomes or in the financial instruments values. The goal of the risk management is to manage and control the exposure to the risk in reasonable parameters and at the same time optimize the profitability.

ii) Interest Rate Risk

The Company's interest rate risk in the financial instruments for the years ended December 31, 2023, 2022 and 2021, are as follows:

	2023	2022	2021
Financial assets	$ 1,131,466	$ 963,182	$ 819,943
Financial liabilities	(685,173)	(846,119)	(716,273)
Net asset position	**$ 446,294**	**$ 117,063**	**$ 103,670**

Fair value sensitivity analysis for fixed rate instruments- The Company does not record fixed rate financial assets and liabilities at fair value through profit and loss, and does not designate derivates (interest rate swaps) as hedging instruments according to a fair value hedge. Therefore, a variation in interest rates at the date of the financial statements would not affect the result.

iii) Market Risk: Foreign currency

The Company's exposure to the volatility of the Mexican peso exchange rate against the U.S. dollar is shown as follows as of December 31, 2023, 2022 and 2021:

	2023	2022	2021
Financial assets	$ 381,237	$ 264,383	$ 197,571
Financial liabilities	(97,725)	(83,044)	(70,714)
Net asset position	**$ 283,512**	**$ 181,339**	**$ 126,857**

As mentioned in Note 4.g, the Company designates its net investment in a foreign operation as an investment hedge, whereby the exchange fluctuations arising from financial debt denominated in U.S. dollars, associated to its investment in subsidiaries in the United States of America, is recognized in other comprehensive income.

The following table shows a sensitivity analysis of the financial assets and liabilities based on a possible fluctuation of the Mexican peso compared to the U.S. dollar, showing the effects in the consolidated statements of profit and the consolidated statements of stockholders´ equity as of December 31, 2023, 2022 and 2021:

Sensitivity analysis:	Results	Equity (1)
2023		
Mexican peso appreciation 10%	$ 34,526	$ 8,884
Mexican peso depreciation 10%	(42,198)	(10,858)
2022		
Mexican peso appreciation 10%	$ 24,035	$ 7,549
Mexican peso depreciation 10%	(29,376)	(9,227)
2021		
Mexican peso appreciation 10%	$ 17,961	$ 6,429
Mexican peso depreciation 10%	(21,952)	(7,857)

(1) The effect of the resulting devaluation of financial long-term debt will be offset by the effect of the revaluation or appreciation of foreign investment since the investment is considered as a hedge of cash flows.

The Company assumes that a 10% change in the exchange rate is reasonably possible for purposes of performing the sensitivity analysis.

iv) Credit risk

Credit risk represents the potential loss due to the failure of the counterparty to meet all its payment obligations.

Financial instruments that could potentially bind the Company to significant credit risk are cash and cash equivalents and accounts receivable. Cash and cash equivalents of the Company are held in various financial institutions with high credit quality. The Company's policy is designed to limit its exposure to any single financial institution or counterparty.

The credit risk on accounts receivable is diversified because the Company has a broad customer base that is geographically dispersed in both Mexico and the United States. As of December 31, 2023, 2022 and 2021, no individual customer represents a significant amount of reported net sales or accounts receivable balance.

The Company periodically evaluates the creditworthiness of its customers and, if necessary, guarantees are required from them to ensure the recovery of receivables.

The carrying amount of financial assets represents the maximum credit exposure, at December 31, 2023, 2022 and 2021, is as follows:

	2023	2022	2021
Cash and cash equivalents	$ 958,725	$ 826,227	$ 682,962
Trade accounts receivable:			
Mexico	46,967	33,908	35,570
United States	95,491	71,221	67,308
Other accounts receivables	30,283	31,826	34,103

Cash and cash equivalents

An analysis of the credit ratings of financial institutions where the Company maintains cash and cash equivalents at the close of each period is as follows:

	As of December 31		
	2023	2022	2021
MXAAA rating institutions	$ 222,751	$ 116,839	$ 91,123
AA rating institutions	170,899	-	-
AA- rating institutions	170,253	251,014	308,783
A- rating institutions	129,954	831	216
MXAA rating institutions	76,218	72,810	48,957
A+ rating institutions	65,172	89,921	72
BBB+ rating institutions	45,862	178,788	130,354
MXA rating institutions	35,564	37,206	-
MXAA- rating institutions	1,080	965	1,065
MXBBB rating institutions	-	-	77,143
MXA+ rating institutions	-	-	24,293
A rating institutions	-	-	956
Not applicable	40,972	77,853	-
	$ 958,725	**$ 826,227**	**$ 682,962**

Impairment of cash and cash equivalents has been measured based on the 12-month expected credit loss and reflects the short-term maturities of the exposures. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of counterparties, therefore an estimate for impairment has not been considered.

Trade accounts receivable

Below is an analysis of the aging of trade accounts receivable as of December 31, 2023, 2022 and 2021:

		Maturities:					
Year	**Current**	**1–30 days**	**31– 60 days**	**61- 90 days**	**91- 120 days**	**Over 121 days**	**Total**
2023	$ 122,020	$ 15,468	$ 4,768	$ 928	$ 762	$ 6,248	$ 150,194
2022	$ 85,946	$ 8,049	$ 8,479	$ 2,425	$ 1,461	$ 6,569	$ 112,929
2021	$ 72,684	$ 21,015	$ 4,532	$ 2,268	$ 1,553	$ 7,882	$ 109,934

i) Liquidity risk

Cash generated from operations is used to make debt payments and capital expenditures. The management of the Company administers liquidity and establishes adequate working capital policies to manage the short, medium and long-term financing. The Company handles liquidity risk by maintaining adequate reserves, banking facilities and authorized credit lines to obtain credits through continuous monitoring of actual and projected cash flows, and reconciling the maturity profiles of financial assets and liabilities. The contractual maturities of financial debt instruments and other financial liabilities as of December 31, 2023, are shown in the following table:

	2023					
	Contractual maturities:					
Line item	**1 year**	**2 years**	**3 years**	**4 years**	**More than 5 years**	**Total**
Trade accounts payable	$ 155,278	$ -	$ -	$ -	$ -	$ 155,278
Due to related parties	$ 989	$ -	$ -	$ -	$ -	$ 989
Financial debt	$ -	$ -	$ -	$ -	$ 500,000	$ 500,000
Leases	$ 11,196	$ 7,839	$ 4,296	$ 2,298	$ 3,276	$ 28,905
Interest	$ 18,070	$ 18,070	$ 18,070	$ 18,070	$ 81,315	$ 153,595

	2022					
	Contractual maturities:					
Line item	**1 year**	**2 years**	**3 years**	**4 years**	**More than 5 years**	**Total**
Trade accounts payable	$ 149,604	$ -	$ -	$ -	$ -	$ 149,604
Due to related parties	$ 2,547	$ -	$ -	$ -	$ -	$ 2,547
Financial debt	$ -	$ -	$ -	$ -	$ 500,000	$ 500,000
Leases	$ 9,192	$ 6,986	$ 3,810	$ 1,900	$ 414	$ 22,303
Interest	$ 18,070	$ 18,070	$ 18,070	$ 18,070	$ 99,385	$ 171,665

	2021					
	Contractual maturities:					
Line item	**1 year**	**2 years**	**3 years**	**4 years**	**More than 5 years**	**Total**
Trade accounts payable	$ 111,873	$ -	$ -	$ -	$ -	$ 111,873
Due to related parties	$ 2,702	$ -	$ -	$ -	$ -	$ 2,702
Financial debt	$ 176,000	$ 104,000	$ 260,000	$ -	$ -	$ 540,000
Leases	$ 16,380	$ 2,694	$ 1,970	$ 1,037	$ 536	$ 22,617
Interest	$ 17,718	$ 14,528	$ 6,825	$ -	$ -	$ 39,071

As of December 31, 2023, 2022 and 2021, the Company had access to lines of credit up to an amount of $ 275,909, $275,151 and 270,000, respectively, which were undrawn at the end of these years. Additionally, as of December 31, 2023, 2022 and 2021, the Company had contracted letters of credit for $ 11,683, $ 13,377, and $ 12,604, respectively, which are primarily used to ensure the payment of deductibles in connection to insurance programs of the Company in the United States and as collateral for bonds issued in the United States and to ensure its natural gas supply.

a) Fair value of financial instruments

Except as for the detail in the following table, management believes that the carrying amounts of assets and liabilities recognized at amortized cost in the consolidated financial statements, approximates their fair value given their short-term maturities.

The fair value of financial instruments presented below has been determined by the Company using available market information or other valuation techniques that require judgment in developing and interpreting the estimates of fair values, and uses assumptions based on market conditions existing at each of the dates in the consolidated statements of financial position.

The fair value of the Company's debt financial instruments included in the disclosure presented in the following table is determined per unit of account; for the international bond, the fair value was determined considering the market price of the instrument prevailing at the date of the consolidated statements of financial position, while borrowings with banks was estimated using the present value of discounted cash flows at market rates as of December 31 of each year, which is located in level 2 of the fair value hierarchy.

Their book values and their fair values as of December 31, 2023, 2022 and 2021, are as follows:

Payables and financial liabilities recognized at amortized cost:

	Carrying amount	Fair value
December 31, 2023	$ 496,986	$ 430,000
December 31, 2022	$ 496,684	$ 415,000
December 31, 2021	$ 539,383	$ 546,739

b) Payables and financial debt

(i) As of December 31, 2023, 2022 and 2021, the financial debt is as follows:

As of December 31, 2023				**Maturities**	
Loans	**Currency**	**Interest rates**	**Amounts**	**Current portion of the long-term debt**	**Long-term debt**
International bond					
10 years	U.S. Dollars	3.614%	$ 500,000	$ -	$ 500,000
Issuance costs			(3,014)	-	(3,014)
			$ 496,986	**$ -**	**$ 496,986**

As of December 31, 2022				**Maturities**	
Loans	**Currency**	**Interest rates**	**Amounts**	**Current portion of the long-term debt**	**Long-term debt**
International bond					
10 years	U.S. Dollars	3.614%	$ 500,000	$ -	$ 500,000
Issuance costs [1]			(3,316)	-	(3,316)
			$ 496,684	**$ -**	**$ 496,684**

(1) All issuance costs are totally related to the Syndicated loan.

As of December 31, 2021				Maturities	
Loans	**Currency**	**Interest rates**	**Amounts**	**Current portion of the long-term debt**	**Long-term debt**
International bond					
7 years	U.S. Dollars	5.250%	$ 260,000	$ -	$ 260,000
Syndicated loan					
5 years	U.S. Dollars	LIBOR + 1.75% (margin range: 2.00% - 1.25%)	280,000	176,000	104,000
Issuance costs			(617)	-	(617)
			$ 539,383	**$ 176,000**	**$ 363,383**

(ii) In January 2022, GCC, S.A.B. de C.V, issued successfully an international bond associated with sustainability for $500,00, with rate of 3.614% and expiration date of April 2032. This bond has the goal to perform the central, relevant and material sustainability, as the CO2 reduction. The resources that were used to discharge the credit of GCC with rate of 5.250% and expiration date of 2024, by an amount of $260,000, as well as resources of their own to prepay the residual syndicated loan issued by 2018.

(iii) Loan agreements establish specific clauses relating to the sale of assets, investments, additional financing and debt payments, as well as the obligation to maintain certain specific financial ratios (net financial leverage ratio and net interest coverage), which in case of non-compliance, would lead to a breach of contract allowing the creditor to require the advance payment of the corresponding loan. As of December 31, 2022, the Company has complied with these conditions. The financial ratios required and / or permitted by the contracts for the period ended December 31, 2022 are as follows:

	2023	Required / Permitted
Net leverage ratio (1)	(0.99)	3.50
Interest coverage (2)	(12.08)	3.50

(1) Net leverage - means the number of times net debt (debt with financial cost) less cash over adjusted EBITDA.
(2) Interest coverage - means the number of times adjusted EBITDA on financial expenses.

For the year ended December 31, 2023, the weighted average interest rate of the international bonds was 3.614%

For the year ended December 31, 2022, the weighted average interest rate of the international bonds was 3.614%

For the year ended December 31, 2021, the weighted average interest rate of the international bonds was 5.25% and the weighted average interest rate of bank loans was 1.85%.

The average life of the financial debt as of December 31, 2023 was approximately 8.3 years.

The Company's subsidiaries, GCC Cemento, S. A. de C. V., Cementos de Chihuahua, S. A. de C. V. and GCC of America, Inc., are guarantors for the current debts.

C) The following is a reconciliation of obligations derived from financing activities:

	January 1 2023	Disposals	Payments made (capital)	Accrued interest	Payments made (interest)	December 31 2023
International bond 2022	503,514	-	-	18,070	(18,070)	503,514
	$ 503,514	**$ -**	**$ -**	**$ 18,070**	**$ (18,070)**	**$ 503,514**

	January 1 2022	Disposals	Payments made (capital)	Accrued interest	Payments made (interest)	December 31 2022
Internacional bond 2017	$ 260,265		$ (260,000)	$ 910	$ (1,175)	$ -
Syndicated loan	280,218		(280,000)	327	(545)	-
International bond 2022		500,000		17,066	(13,552)	503,514
	$ 540,483	**$ 500,000**	**$ (540,000)**	**$ 18,303**	**$ (15,272)**	**$ 503,514**

	January 1 2021	Disposals	Payments made (capital)	Accrued interest	Payments made (interest)	December 31 2021
Internacional bond 2017	$ 260,265	$ -	$ -	$ 13,650	$ (13,650)	$ 260,265
Syndicated loan	372,331	-	(92,000)	6,525	(6,638)	280,218
	$ 632,596	**$ -**	**$ (92,000)**	**$ 20,175**	**$ (20,288)**	**$ 540,483**

Accrued interest payable derived from the financial debt is presented in accrued expenses and taxes other than income taxes in the consolidated statement of financial position for 2023, 2022 and 2021, amounting to $ 18,070, $ 18,303 and $ 20,175, respectively.

21. Accrued expenses and taxes and provisions

a) Accrued expenses and taxes

Accrued expenses and taxes as of December 31, 2023, 2022 and 2021, are as follows:

	2023	2022	2021
Taxes payable	$ 35,589	$ 30,101	$ 27,412
Customer Advances	32,491	20,343	13,599
Other accounts payable	12,036	13,584	6,183
Interest payable	3,505	3,505	483
	$ 83,621	**$ 67,533**	**$ 47,677**

b) Provisions

	2023	2022	2021
Beginning balance	$ 44,009	$ 2,167	$ 2,116
Increase during the year	24,986	56,708	8,117
Payments made	(65,468)	(14,939)	(8,015)
Translation effect	226	73	(51)
Ending balance	**$ 3,753**	**$ 44,009**	**$ 2,167**

c) Provision for environment restoration

The Mining Law of the State of New Mexico in the USA requires the Company to incur costs to restore operations affected by raw material extraction where the plant is located at the end of operations in the same area. Measures have been planned for the incremental and simultaneous implementation of the plan over a period of forty years, with more than half of the surface disturbed, the same being recovered during the operational life of the plan area. The Company has recognized a long-term provision for the estimated costs to be incurred in restoring the site at present value, using the discount rates 3.6140%, 3.6031% and 3.2998% for years 2023, 2022 and 2021, respectively. As of December 31, 2023, 2022 and 2021, the USA Division has recognized a provision of $ 22,794, $ 22,795, and $ 21,793, respectively, for such liquidation measures.

Additionally, for the Mexican division there is an obligation under the General Law of Ecological Equilibrium and Environmental Protection, which states that whoever carries out activities that affect the environment is required to prevent, minimize or repair the damage involved. The Act establishes the obligation to perform an environmental impact assessment. As of December 31, 2023, 2022 and 2021, the Mexican division has recognized a provision of $ 3,003, $ 2,052 and $ 1,454, respectively, for such restoration activities.

Movements in the provision for environmental restoration are as follows:

	Balances as of January 1, 2023	Increases during the year	Interest cost	Balances as of December 31, 2023
Restoration provision	$ 25,781	$ -	$ 16	$ 25,797

	Balances as of January 1, 2022	Increases during the year	Interest cost	Balances as of December 31, 2022
Restoration provision	$ 23,247	$ 2,429	$ 105	$ 25,781

	Balances as of January 1, 2021	Decreases during the year	Interest cost	Balances as of December 31, 2021
Restoration provision	$ 18,921	$ 4,372	$ (46)	$ 23,247

22. Income taxes

The Company in Mexico is subject to ISR whose rate for 2023, 2022 and 2021 was 30% and will continue at 30% for subsequent years. The Company caused ISR on a consolidated basis until 2013 with its Mexican subsidiaries. Due to changes in the income tax law in effect as of December 31, 2013, the tax consolidation regime was eliminated, therefore, the Company and its subsidiaries have the obligation to pay the deferred tax determined at that date during the following ten annual periods from 2014, as shown below.

Income taxes of the subsidiaries in the United States of America are determined on a consolidated basis with their direct holding company GCC of America, Inc., The income tax rate, for the Swiss subsidiary, used for 2019 was 9.6%, and in accordance with the Swiss tax reform that eliminated the privileged mixed tax status and entered into force on January 1, 2020, a temporary increase will be applied with a profit tax rate of 11.9% from 2020 to 2024, and from 2025 the profit tax rate will be 14.0%.

While the 2014 Tax Law repealed the tax consolidation regime, an option was established to calculate ISR together in groups of companies (under a tax integration regimen). The new system allows for consolidated companies owned directly or indirectly by more than 80% to have certain benefits in their tax determination (when within the integrated group of companies there are some with profits or losses in the same year), which may deferred for three years and reported at the filing date of the tax return corresponding to the tax year following the completion of the aforementioned three-year period.

The Company and its Mexican subsidiaries opted to join the integration regimen, so income tax for the year 2023, 2022 and 2021 was determined as a group.

The following are the tax rates on taxable income in countries where the Company operates:

Country	2023	2022	2021
Mexico	30%	30%	30%
United States of America	24%	24%	24%
Switzerland	14%	11.9%	11.9%

a) For the years ended December 31, 2023, 2022 and 2021, income tax expense charged to results is as follows:

	2023	2022	2021
Current income tax	$ (76,832)	$ (26,871)	$ (16,201)
Deferred income tax	(32,000)	(35,607)	(38,676)
Total income taxes	**$ (108,832)**	**$ (62,478)**	**$ (54,877)**

b) Deferred taxes in the consolidated statements of financial position

<u>The main items composing the deferred income taxes are:</u>

Mexico	December 31, 2023	December 31, 2022	December 31, 2021
Deferred tax assets:			
Provisions and allowances	$ 16,812	$ 12,382	$ 19,253
Customer advances and other	1,251	755	446
Tax loss carry forwards	59,483	76,258	73,214
	77,546	89,395	92,913
Deferred tax liabilities:			
Property, plant and equipment	(105,803)	(111,238)	(92,427)
Inventories	(409)	(433)	(477)
Prepaid expenses and other	(5,400)	(3,988)	(2,932)
	(111,612)	(115,659)	(95,836)
Deferred tax liability	**$ (34,066)**	**$ (26,264)**	**$ (2,923)**

USA	December 31, 2023	December 31, 2022	December 31, 2021
Deferred tax asset:			
Provisions and allowances	$ 24,933	$ 34,997	$ 30,482
Tax loss carry forwards	7,271	290	11,433
	32,204	35,287	41,915
Deferred tax liability:			
Property plant and equipment	(159,306)	(150,117)	(133,479)
Prepaid expenses	(11,829)	(10,700)	(4,710)
	(171,135)	(160,817)	(138,189)
Deferred tax liability	**$ (138,931)**	**$ (125,530)**	**$ (96,274)**

Switzerland	December 31, 2023	December 31, 2022	December 31, 2021
Deferred tax asset (liability):			
Accounts receivable	(793)	(739)	(617)
Deferred tax asset (liability)	**(793)**	**(739)**	**(617)**
Total deferred income tax liability	**$ (173,790)**	**$ (152,533)**	**$ (99,814)**

c) The main items for which the sum of the current income tax and deferred income tax for the period differs from the statutory rate are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Income before income tax	$ 404,024	$ 202,739	$ 206,731
Statutory rate	30%	30%	30%
Income tax based on statutory rate	(121,207)	(60,822)	(62,019)
Other items:			
Non-deductible expenses	(3,324)	(17,536)	(1,917)
Adjustment for inflation	1,038	(826)	(11,619)
Recognition of deferred tax assets	2,058	-	(2,546)
Effects of inflation on non-monetary items	(2,048)	10,145	14,363
Effect of different tax rates in effect in foreign entities	14,651	6,561	8,861
Tax benefit	12,375	(1,656)	7,142
Income taxes	**$ (108,832)**	**$ (62,478)**	**$ (54,877)**

d) As of December 31, 2023, the Company's tax loss carryforwards, are as follows:

	Mexico		United States of America	
Year of loss	**Amounts restated as of December 31, 2023**	**Effect on deferred income tax**	**Amounts as of December 31, 2023**	**Effect on deferred income tax**
2024	$ 180,079	$ 54,024	-	-
2025	20,595	6,178	-	-
2026	1,539	462	-	-
2027	49,513	14,854	-	-
2028	6,629	1,989	-	-
2029	137	41	-	-
2030	62,870	18,861	-	-
2031	14,124	4,237	-	-
2032	179	54	-	-
	$ 335,665	$ 100,700	$ -	$ -
USA state tax loss	-	-	-	8,495
Unrecognized deferred taxes	(137,389)	(41,217)	(7,877)	(1,224)
Deferred tax assets for tax loss	$ 198,276	$ 59,483	$ (7,877)	$ 7,271

e) As December 31, 2023, the Company's deferred tax balances, are integrated as follows:

	December 31, 2022	Income Statement	Stockholders' equity	OCI	December 31,2023
Deferred tax assets:					
Provisions for liabilities and other	$ 12,280	$ 127	$ -	$ -	$ 12,407
Other assets	33,488	(12,004)	-	-	21,484
Customer in advance	787	2,294	-	-	3,081
NOL's(i)	120,249	(19,356)	-	-	100,893
Valuation allowance	(44,683)	10,544	-	-	(34,139)
Estimated Credit Loss	1,268	641	-	-	1,909
	$ 123,389	**$ (17,754)**	**$ -**	**$ -**	**$ 105,635**
Deferred tax liabilities:					
Fixed assets	$ (158,708)	$ 11,511	$ -	$ -	$ (147,197)
Prepaids	(1,769)	(2,162)	-	-	(3,931)
Inventory of spare parts and taxable inventory	(422)	88	-	-	(334)
Exchange rate effect	(109,527)	(23,721)	10,745	-	(122,382)
Other liabilities	(5,619)	38	-	-	(5,581)
	(276,045)	**(14,246)**	**10,745**	**-**	**(279,425)**
Deferred tax, net	**$ (152,656)**	**$ (32,000)**	**$ 10,745**	**$ -**	**$ (173,790)**

As December 31, 2022, the Company's deferred tax balances, are integrated as follows:

	December 31, 2021	Income Statement	Stockholders' equity	OCI	December 31,2022
Deferred tax assets:					
Provisions for liabilities and other	$ 12,720	$ (440)	$ -	$ -	$ 12,280
Other assets	39,722	(6,234)	-	-	33,488
Customer in advance	505	282	-	-	787
NOL's(i)	134,644	(14,395)	-	-	120,249
Valuation allowance	(45,891)	1,208	-	-	(44,683)
Estimated Credit Loss	(44)	1,312	-	-	1,268
	$ 141,656	**$ (18,267)**	**$ -**	**$ -**	**$ 123,389**
Deferred tax liabilities:					
Fixed assets	$ (163,269)	$ 4,561	$ -	$ -	$ (158,708)
Prepaids	(1,237)	(532)	-	-	(1,769)
Inventory of spare parts and taxable inventory	(494)	73	-	-	(421)
Exchange rate effect	(72,021)	(20,272)	(17,112)	-	(109,405)
Other liabilities	(4,449)	(1,170)	-	-	(5,619)
	(241,470)	**(17,340)**	**(17,112)**	**-**	**(275,922)**
Deferred tax, net	**$ (99,814)**	**$ (35,607)**	**$ (17,112)**	**$ -**	**$ (152,533)**

As December 31, 2021, the Company's deferred tax balances, are integrated as follows:

	December 31, 2020	Income Statement	Stockholders' equity	OCI	December 31,2021
Deferred tax assets:					
Provisions for liabilities and other	$ 14,094	$ (1,374)	$ -	$ -	$ 12,720
Other assets	32,852	6,870	-	-	39,722
Customer in advance	1,901	(1,397)	-	-	504
NOL's(i)	160,340	(25,697)	-	-	134,643
Valuation allowance	(27,188)	(18,702)	-	-	(45,890)
Estimated Credit Loss	1,312	(1,357)	-	-	(45)
	$ 183,312	**$ (41,656)**	**$ -**	**$ -**	**$ 141,656**
Deferred tax liabilities:					
Fixed assets	$ (152,966)	$ (10,303)	$ -	$ -	$ (163,269)
Prepaids	(3,163)	1,926	-	-	(1,237)
Inventory of spare parts and taxable inventory	(558)	64	-	-	(494)
Exchange rate effect	(77,606)	11,490	(5,905)	-	(72,021)
Other liabilities	(4,252)	(198)	-	-	(4,450)
	(238,545)	**2,980**	**(5,905)**	**-**	**(241,470)**
Deferred tax, net	**$ (55,233)**	**$ (38,676)**	**$ (5,905)**		**$ (99,814)**

(i) Net Operating Losses (carried forward)

The summarized items refer to those temporary items that had a taxable effect on the company's results.

Due to the nature of its operations, the company maintains significant balances in non-current assets and tax loss carryforwards.

The deferred tax liability related to investments in subsidiaries was not recogzised because the Group controls the dividend policy of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

23. Stockholders' equity

a) As of December 31, 2023, 2022 and 2021, common stock is variable and its fixed minimum amount with no right to withdrawal is $ 10,921, represented by 337,400,000 registered shares with no par value and is summarized as follows:

	Shares	Amount
Authorized and issued capital	337,400,000	$ 10,921
Shares repurchased	(10,581,321)	(343)
	326,814,679	**$ 10,578**

b) According to the General Law of Mercantile Companies, at least 5% of the net income for the year must be separated to increase the legal reserve until it reaches 20% of share capital.

c) If the Company pays dividends that come from the Net Tax Profit Account (CUFIN, by its acronym in Spanish), the Company shall not be liable to pay income tax. However, this balance can be applied only once the balance of the Net Reinvested Tax Profit Account (CUFINRE, by its acronym in Spanish) has been fully utilized.

When dividends arise from CUFINRE, 5% will be paid for those decreed from earnings in years 2001 and 2000, and 3% for earnings in 1999. The amount distributed as dividends that exceeds CUFIN will be subjected to the payment of corporate income tax, charged to the Company at the current tax rate at that time.

d) In the ordinary general meeting of the shareholders held on April 28, 2023, a payment of dividends was declared for $ 24,926 ($ 0.074 dollars per share) were paid in May 24th 2023; a treasury stock repurchase fund was also approved for $ 82,921 (equivalent to MX$ 1,500 million pesos). During 2023, the company acquired 1,631,981 shares at average price of $ 13,169.

During the year ended December 31, 2023, the Company made the following repurchases and sales of its own shares:

	Shares	Amount
Repurchase of own shares	(9,190,210)	(82,809)
Sale of own shares	7,558,229	69,640
	(1,631,981)	**(13,169)**

During 2023, 2022 and 2021 the amount of own net shares repurchased by GCC, through the Bolsa Mexicana de Valores, ascended to 1,631,981, 4,018,404 and 1,404,798, respectively. The total amount paid to acquire shares was of $ 13,169, 24,583 and $ 5,176, respectively, which amounts were decreased in the stockholders equity and retained earnings. During 2021, as part of the adopted measures by GCC, to ensure the minimum of financial impact caused by COVID crisis, and support to ensure the continuity of the business and preserve the company cash, GCC suspended the repurchase shares program.

e) In the ordinary general meeting of the shareholders held on April 28, 2022, a payment of dividends was declared for $ 19,154 ($ 0.058 dollars per share) of which were paid in May 17 2022; a treasury stock repurchase fund was also approved for $ 48,583 (equivalent to MX$ 1,000 million pesos). As of December 31, 2022, there are 4,018,404 shares in treasury repurchased with a cost of $ 26,463.

During the year ended December 31, 2021, the Company made the following repurchases and sales of its own shares:

	Shares	Amount
Repurchase of own shares	(19,000)	$ (136)
Sale of own shares	1,000	6
	(18,000)	**$ (130)**

f) In the ordinary general meeting of the shareholders held on April 29, 2021, a payment of dividends was declared for $ 17,072 ($ 0.050 dollars per share) of which $ 16,694 were paid in August 2021; a treasury stock repurchase fund was also approved for $ 48,583 (equivalent to MX$ 1,000 million pesos). As of December 31, 2021, there are 6,223,205 shares in treasury repurchased with a cost of $ 10,554, leaving a repurchase fund of $ 38,029 available.

g) The balance of the cumulative translation adjustment of foreign subsidiaries as of December 31, 2023, 2022 and 2021, is as follows:

	2023	2022	2021
Initial balance	$ (302,486)	$ (313,079)	$ (308,876)
Translation effect of the year	41,229	(37,182)	(7,585)
Net investment hedge in foreign operations	53,474	68,249	4,832
Income taxes	(16,042)	(20,475)	(1,449)
Exchange effect in foreign transactions- net	78,661	10,592	(4,202)
Ending balance with translation effect in foreign operations	$ (223,825)	$ (302,486)	$ (313,078)

h) The balance of the remeasurements of actuarial liabilities associated with the Company's defined benefit plans and the related tax effect as of December 31, 2023, 2022 and 2021, is as follows:

	2023	2022	2021
Beginning balance of remeasurement gains (losses)	$ 22,842	$ 17,455	$ 12,194
Actuarial remeasurement for employee benefits	3,385	7,696	7,516
Income tax	(1,016)	(2,309)	(2,255)
Ending balance of actuarial gains (losses)	$ 25,211	$ 22,842	$ 17,455
Total cumulative amount of other items of comprehensive income (g) + (h)	**$ (198,614)**	**$ (279,644)**	**$ (295,623)**

24. Share-based payments

Long-term employee incentive plan

The long-term incentive plan (PILP, by its acronym in Spanish) was established and developed through an external specialist with extensive global experience in executive level compensation systems. This plan was implemented in order to compensate eligible executives that ensures talent retention and is in line with market practices for executives of that level, to achieve the strategic objectives of GCC that improve the value of the Company over time and, at the same time to ensure the sustainability of GCC. According to the terms of the plan, this scheme is applicable to key executives and certain employees.

The number of shares granted is calculated according to the formula based on the number of months of salary corresponding to the executive and the performance approved by the Chairman of the Board formerly. The number of months is in accordance with the individual compensation and the organizational level of the executive. The formula rewards executives and key personnel based on formerly established achievements, judged with both quantitative and qualitative criteria.

Considering the premises and objectives described above, GCC has two types of long-term incentive plans in order to align the employees' objectives and results and to retain talent to positively impact the Company's culture focus, which are described below:

Real stock plan (Performance Shares) linked with a criterion of number of months of salary of the executive and a minimum level of performance that will direct the efforts to achieve the expected results. This plan is granted annually, with the vesting period between four years and five years for which the executive must have an employment relationship with the Company and / or its subsidiaries to receive the shares. The performance indicator is designated annually by the Chairman of the Board of Directors, with is linked to the creation of value and growth of the Company. For 2022, 2021 and 2020, the "Return on Capital Investment" (ROIC) was established for this purpose. This indicator may change annually and can consider both quantitative and qualitative criteria. The total shares allocated for this plan and the related expense for 2023, 2022 and 2021 were 428,722, 502,964 and 476,447, and $ 5,012, $ 1,774, and $2,060, respectively.

Additional option plan "Matching" provides benefits linked to the short-term incentive plan whereby an employee can choose the option to purchase in shares of GCC with the Company matching a certain percentage. The purchase of shares, by the eligible employee, will be utilized through the use of part or the total cash value of their short-term incentive benefit, with a three-year sale restriction period. This plan is also granted annually. The Company will match an equivalent amount of shares to the employee's investment in the short-term incentive plan according to the following criteria:

i. Up to 50% - Matching of 100%

ii. From 50.1% to 75% - Matching of 125%
iii. More than 75% - Matching of 150%

For the Company's matching portion, the shares will be exercised at a price equal to the market price quoted on the grant date. For the period of 2023, 2022 and 2021, the matching will be effective in 2026, 2025 and 2024, respectively. The total of shares acquired in 2023, 2022 and 2021 by employees in this plan 134,065, 206,227 and 161,999 for which the Company is required to match 200,764, 304,799 and 241,516 additional shares, respectively.

For the plan of real shares granted in 2023, 2022 and 2021, the share price utilized to determine the grant date fair value was $ 8.01, $ $ 6.60 and $ 6.34 dollars per share.

25. Cost of sales and operating expenses by nature

a) Cost of sales

The breakdown of cost of sales for the years ended December 31, 2023, 2022 and 2021, is integrated as follows:

	2023	2022	2021
Employee benefits	$ 172,099	$ 153,660	$ 135,240
Raw materials cost	159,899	137,037	120,610
Energy cost	131,766	143,926	126,673
Depreciation and amortization	64,133	80,299	68,410
Depreciation for right of use asset	12,373	13,791	12,951
Maintenance expenses	88,120	69,750	61,389
Distribution expenses	92,159	82,285	72,421
Other expenses	141,656	123,096	109,790
	$ 862,205	**$ 803,844**	**$ 707,484**

b) General, administrative and selling expenses

The breakdown of operating expenses for the years ended December 31, 2023, 2022 and 2021 is integrated as follows:

	2023	2022	2021
Employee benefits	$ 54,786	$ 42,572	$ 39,961
Depreciation and amortization	12,723	12,948	15,233
Professional services	22,762	16,147	15,157
Other expenses	29,134	24,464	19,885
	$ 119,405	**$ 96,131**	**$ 90,236**

c) Employee benefit expenses

The employee benefit expenses for the years ended December 31, 2023, 2022 and 2021, are integrated as follows:

	2023	2022	2021
Salaries and wages	$ 163,616	$ 141,511	$ 126,300
Employee benefits from retirement	7,611	6,582	5,877
Social security contributions	22,682	19,617	17,515
Social welfare	16,888	14,606	13,041
Other salaries and benefits	16,088	13,912	12,468
	$ 226,885	**$ 196,232**	**$ 175,201**

d) Other expenses, net

Other operating expenses for the years ended December 31, 2023, 2022 and 2021, are integrated as follows:

	2023	2022	2021
Arbitration procedure provision	$ 4,395	$ 50,035	$ 8,522
Charitable contributions	1,006	675	985
Others	1,238	(88)	-
	$ 6,639	**$ 50,622**	**$ 9,507**

On March 10th, GCC reached a conciliation agreement with CIMSA, in which both parties mutually exempt each other from responsibility and put an end to the disputes between both parties.

26. Financial expenses

The financial expenses for the years ended December 31, 2023, 2022 and 2021, are integrated as follows:

	2023	2022	2021
Interest expenses	$ 25,844	$ 29,881	$ 30,176
Cancellation and amortization of debt issuance costs	-	-	2,531
Other financial expenses	2,265	8,730	2,690
	$ 28,109	**$ 38,611**	**$ 35,397**

27. Segment information

The Company is a Mexican entity that manufactures and sells hydraulic cement, ready-mix concrete and aggregates. The Company's operations in the United States of America are mainly performed by three subsidiaries with an ownership interest of 100%.

Inter-segment revenues are eliminated upon consolidation and reflected in the "eliminations and other adjustments" column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

In the following information, the column representing Mexico includes all domestic transactions. Information for the years ended December 31, 2023, 2022 and 2021, is as follows:

2023				
	Mexico	**United States of America**	**Eliminations and other adjustments**	**Consolidated**
Net sales:				
External customers	$ 425,595	$ 938,322	$ -	$ 1,363,917
Intercompany sales	43,666	5,082	(48,748)	-
	469,261	943,404	(48,748)	1,363,917
Operating income before other expenses	101,208	281,099	-	382,307
Profit before income taxes	325,525	78,772	-	404,297
Depreciation and amortization	24,132	65,097	-	89,229
Financial income	33,607	24,360	-	57,967
Financial expenses	2,673	25,436	-	28,109
Foreign exchange income, net	(4,489)	(40)	-	(4,529)
Goodwill	-	212,598	-	212,598
Property, plant and equipment, net	305,870	842,011	-	1,147,881
Total assets	**$ 904,205**	**$ 1,908,888**	**$ -**	**$ 2,813,093**
Total liabilities	**$ 247,807**	**$ 801,035**	**$ -**	**$ 1,048,842**
Non cash expenditures	**$ 1,121**	**$ 37,260**	**$ -**	**$ 38,381**

2022	Mexico	United States of America	Eliminations and other adjustments	Consolidated
Net sales:				
External customers	$ 327,720	$ 840,599	$ -	$ 1,168,319
Intercompany sales	58,815	12,550	(71,365)	-
	386,535	853,149	(71,365)	1,168,319
Operating income before other expenses	73,228	195,116	-	268,344
Profit before income taxes	244,593	(41,854)	-	202,739
Depreciation and amortization	20,088	73,159	-	93,247
Financial income	14,696	7,428	-	22,124
Financial expenses	4,883	33,728	-	38,611
Foreign exchange (income) loss, net	(621)	(1,159)	-	(1,780)
Goodwill	-	212,598	-	212,598
Property, plant and equipment, net	246,272	756,022	-	1,002,294
Total assets	**$ 726,238**	**$ 1,727,936**	**$ -**	**$ 2,454,174**
Total liabilities	**$ 203,791**	**$ 826,571**	**$ -**	**$ 1,030,362**
Non cash expenditures	**$ 7,511**	**$ 44,483**	**$ -**	**$ 51,994**

2021	Mexico	United States of America	Eliminations and other adjustments	Consolidated
Net sales:				
External customers	$ 288,433	$ 750,371	$ -	$ 1,038,804
Intercompany sales	48,794	15,044	(63,838)	-
	337,227	765,721	(63,838)	1,038,804
Operating income before other expenses	80,034	161,050	-	241,084
Profit before income taxes	152,131	54,600	-	206,731
Depreciation and amortization	18,624	77,969	-	96,593
Financial income	6,571	657	-	7,228
Financial expenses	1,893	33,504	-	35,397
Foreign exchange loss, net	(86)	419	-	333
Goodwill	-	212,598	-	212,598
Property, plant and equipment, net	204,336	729,774	-	934,110
Total assets	**$ 730,130**	**$ 1,506,060**	**$ -**	**$ 2,236,190**
Total liabilities	**$ 93,514**	**$ 831,694**	**$ -**	**$ 925,208**
Non cash expenditures	**$ 8,106**	**$ 13,345**	**$ -**	**$ 21,451**

Net sales information by country and by product for the years ended as of December 31, 2023, 2022 and 2021, is presented in the following table:

2023					
Country	**Cement**	**Concrete**	**Other**	**Eliminations**	**Consolidated**
Mexico	$ 285,520	$ 145,978	$ 72,479	$ (78,382)	$ 425,595
United States of America	815,939	144,026	124,456	(146,099)	938,322
	$ 1,101,459	**$ 290,004**	**$ 196,935**	**$ (224,481)**	**$ 1,363,917**

2022					
Country	**Cement**	**Concrete**	**Other**	**Eliminations**	**Consolidated**
Mexico	$ 226,585	$ 107,642	$ 32,819	$ (39,327)	$ 327,719
United States of America	749,904	118,737	87,181	(115,222)	840,600
	$ 976,489	**$ 226,379**	**$ 120,000**	**$ (154,549)**	**$ 1,168,319**

2021					
Country	**Cement**	**Concrete**	**Other**	**Eliminations**	**Consolidated**
Mexico	$ 207,014	$ 90,847	$ 26,728	$ (36,156)	$ 288,433
United States of America	662,830	110,795	79,489	(102,743)	750,371
	$ 869,844	**$ 201,642**	**$ 106,217**	**$ (138,899)**	**$ 1,038,804**

The column "Other" includes mainly aggregates, concrete blocks, prefabricated products, developed land, coal and other materials for construction.

28. Commitments and contingencies

a) **Provision for environmental restoration.** The Company's subsidiaries GCCRG, Dacotah, GCCE and GCCTF are required to fulfill reclamation requirements to the applicable state regulatory agencies. The estimated remediation costs from these plans are $ 34,799. As of December 31, 2023, 2022 and 2021, the Company has recorded a liability for these obligations of $ 17,869, $ 18,158 and $ 17,291 respectively, which corresponds to the present value of its future obligations.

The Company recorded remediation liabilities related with a closure and post-closure plan filed with the Texas Commission of Environmental Quality for a permit to operate a disposal site and related with the estimated remediation costs from an operating permit of a leased aggregate quarry over a 15-year and 9-year period, respectively. As of December 31, 2023, 2022 and 2021, the Company has recorded a liability for these obligations of $ 4,925, 4,637 and $ 4,502, respectively, which corresponds to the present value of its future obligations.

The Company has included these obligations in the Consolidated statement of financial position as long-term liabilities. The adjustments are included on the asset related cost and the accrual expenses associated with the reversal of the discount effects are recognized as financial expenses.

The reconciliation of the beginning and ending balance of the liability is as follows:

Government agency	
Balance as of December 31, 2019	$ 22,796
Change in estimated cash flows	(1,144)
Additions	130
Accrued expense	1,192
Payments made in the period	(180)
Balance as of December 31, 2023	**$ 22,794**

GCC has guaranteed $ 7,890 in the event that GCCRG fails to successfully complete the reclamation obligations. In addition, GCCRG, GCCE, and GCCTF have several bonds to meet the regulatory requirements. The following details the bonds by company and the government entity that it is assigned to:

Company	Government agency	
GCCRG	United States Department of Agriculture, Forest Service	$ 70
GCCRG	State of Colorado	2,722
GCCRG	State of New Mexico	2,674
GCCE	Colorado Dept. of Reclamation, Mining and Safety	1,299
GCCE	United States Department of the Interior	1,076
GCCE	La Plata County	1,253
GCCTF	State of Montana Dept. of Environmental Quality	7,319
		$ 16,413

b) On October 8, 2015, the Company signed a strategic agreement for three years with Madata It, S. A. de C. V. ("MADATA") (related party-joint venture), whereby MADATA provides business process and information technology services ("IT"). The original contract term was for three years and renews every year until the Company decides not to renew and is expected to generate savings to GCC, during these periods. The contract includes data processing services and infrastructure services, support and maintenance of IT applications in different locations of the Company. The amount of the services paid recognized in the consolidated statement of income as of December 31, 2023, 2022 and 2021, are presented in Note 8.

c) GCC, S.A.B. de C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.) and its subsidiaries GCC Cemento, S.A. de C.V. and Cementos de Chihuahua, S.A. de C.V., were audited in Mexico by the Mexican Tax Administration System (SAT) in connection with the treatment of certain income and deductions under the Income Tax Law, for which they are subject to several audits as direct subjects of such tax and for income subject to preferential tax regimes obtained through foreign entities or legal entities.

In March 2021, GCC Cemento, S.A. de C.V. was notified of the determination of a tax credit as a direct taxpayer of ISR for the 2014 tax year, for declaring tax losses greater than those determined by the SAT for allegedly having improperly deducted foreign exchange losses and royalties. The tax credit is a penalty in the amount of $5.4 million dollars corresponding to 30% of the difference between the tax loss declared and the corresponding amount according to the SAT. In May 2021, GCC Cemento, S.A. de C.V. filed an appeal to challenge the resolution of such tax credit, considering that it was not issued taking into account the tax and legal provisions in effect for the year under review, which is pending resolution by the federal tax authority.

In August 2021, GCC, S.A.B. de C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.) and GCC Cemento, S.A. de C.V. were notified of the determination of tax assessments as direct income taxpayers, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the 2014 tax year. The tax assessments for $$32.3 and $68.2 million, respectively, correspond to the alleged amortization of tax loss carryforwards from prior years and the alleged deduction of the annual inflation adjustment in an improper manner, including in the amount the omitted tax and its accessories (updates, surcharges and fines). In September 2021, both companies filed their appeals to challenge the resolutions of the tax assessments corresponding to the 2014 tax year, considering that they were not issued taking into account the tax and legal provisions in force in the year under review, which are pending resolution by the federal tax authority.

In December 2021, Cementos de Chihuahua, S.A. de C.V. was notified of the determination of a tax credit as a direct taxpayer for income tax purposes for the 2016 tax year, for declaring tax losses greater than those determined by the SAT for allegedly having deducted a tax cost in the sale of accounts receivable portfolio in an improper manner. The tax credit is in the amount of US$752.0 million, including the omitted tax and its accessories. In February 2022, Cementos de Chihuahua, S.A. de C.V. filed an appeal to challenge the resolution of such tax credit, considering that it was not issued taking into account the tax and legal provisions in effect in the year under review, which is pending resolution by the SAT.

In December 2021, GCC, S.A.B. de C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.) was notified of the determination of a tax credit as a direct taxpayer for income tax purposes, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the 2015 tax year. The tax credit for $11.8 million dollars, corresponds to the alleged amortization of tax losses from previous years and the alleged deduction of the annual inflation adjustment in an improper manner, including in the amount the omitted tax and its accessories. Currently, the Company filed an appeal for revocation to challenge the resolution of the tax credit corresponding to the 2015 tax year, considering that it was not issued considering the tax and legal provisions in force in the year under review, which is pending resolution by the federal tax authority.

In January and April 2022, GCC Cemento, S.A. de C.V. was notified of the determination of tax credits as a direct taxpayer for income tax purposes, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the tax years 2015, 2016, 2017 and 2018. The tax credits of $27.3, $31.4, $37.4 and $92.8 million, respectively, correspond to the alleged amortization of tax losses from prior years and the alleged deduction of the annual inflation adjustment and other deductions in an improper manner, including in the amount the omitted tax and

its accessories (updates, surcharges and fines). In March, May and June 2022, GCC Cemento, S.A. de C.V. filed an appeal to contest the resolutions of such tax assessments, considering that they were not issued taking into account the tax and legal provisions in effect for the year under review, which is pending resolution by the SAT.

In September and April 2022, GCC, S.A.B. de C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.) was notified of the determination of tax credits as direct taxpayers for income tax purposes, with income subject to preferential tax regimes obtained through foreign entities or legal entities for the 2016, 2017 and 2018 tax years. The tax credits for $16.3, $16.5, $77.0 million, respectively, correspond to the alleged amortization of tax losses from prior years and the alleged deduction of the annual inflation adjustment and other deductions in an improper manner, including in the amount the omitted tax and its accessories (updates, surcharges and fines). Currently, the Company filed an appeal for revocation to contest the resolutions of the corresponding tax assessments, considering that they were not iss taking into account the tax and legal provisions in effect for the year under review, which is pending resolution by the federal tax authority.

By means of a writ filed on January 12, 2022 in the proceedings of the Amparo Indirecto A.I. 1437/2014 of the index of the First District Court of the Auxiliary Center of the First Region, with residence in Mexico City, GCC, S.A.B. DE C.V., GCC Cemento, S.A. DE C.V. and Cementos de Chihuahua S.A. DE C.V., promoted an incident for excess or deffect in the compliance of the definitive suspension, granted to the aforementioned companies by the referred District Court through the interlocutory judgment of June 7, 2016 issued in the records of the incidental notebook of the aforementioned amparo lawsuit.

In March 2022, the interlocutory ruling issued by the District Court that heard the incident of violation of the definitive suspension of the indirect injunction 1437/2014, filed by GCC, S.A.B de C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. de C.V.), GCC Cemento, S.A. de C.V. and Cementos de Chihuahua, S.A de C.V., was issued. through which it resolved that the tax authority did not comply with the definitive suspension granted for not using the tax mailbox as a means of communication, since such authority communicated to them several acts of inspection, such as orders for the exercise of inspection powers corresponding to several fiscal years, through the desk review, information and documentation requests, observations, tax credit resolutions, among others. Therefore, the authorities were required to comply with the definitive suspension granted to the plaintiff and rectify the errors incurred in complying with it, or in its case, correct the related deficiencies, in order to avoid incurring in contempt of court.

Subsequently, by order dated April 26, 2022, issued in the incident for excess or default in compliance with the definitive suspension of the decision filed by GCC, S.A.B. DE C.V. (formerly Grupo Cementos de Chihuahua, S.A.B. DE C.V.), GCC Cemento, S.A. DE C.V. and Cementos de Chihuahua, S.A. DE C.V., the First District Court of the First Auxiliary Center of the First Region, with residence in Mexico City, analyzed a new alleged and purported compliance given by the responsible authorities with respect to what was ordered in the interlocutory judgment of March 1, 2022, resolving that "...there is no place to consider as complied with the resolution in question...", determining that "...".in order for this court to consider that the resolution in question has been complied with, it is necessary that the aforementioned authorities go back to the moment in which the aforementioned resolution was issued, that is, as if the acts they performed had never taken place, which implies, of course, that, based on their powers, they should leave unconstitutional only those acts whose performance was prohibited."

As a result of the ruling and determination of April 26, 2022 referred to above, the responsible tax authorities filed two appeals, which were forwarded to the Fourth Collegiate Circuit Court of the Auxiliary Center of the First Region, located in Mexico City, under file numbers QA. 1140/2022 and QA. 1141/2022.

The resolution of the Complaints in charge of the Fourth Collegiate Circuit Court of the Auxiliary Center of the First Region, in Mexico City, to whom they were turned to for such purpose, were concluded on April 13, 2023, dismissing them as inadmissible, and therefore the obligation remains firm to "…rollback things to the moment in which the aforementioned incidental resolution was issued" this is to say, leaving without effect all the acts and proceedings that violated the suspension granted to the companies, in favor of GCC.

d) ESG (environmental, social and governance) Integration Risks: The integration of environmental, social and governance (ESG) factors are part of GCC's comprehensive strategy to fulfill its 2025 vision: To be the best cement company in North America with the proper balance of people, profit and the planet.

In the business or investment decision-making process, GCC weighs the impacts and benefits of all stakeholders to ensure the implementation of a business model that not only focuses on maximizing shareholder value, but also contributes positively to society, the environment and corporate governance best practices. GCC sustainability goals focus on implementing practices that mitigate negative impacts on the environment. We aim to protect the health and safety of our employees and contractors as well as build strong communities. GCC's sustainability strategy focuses on environmental responsibility, climate protection, fosters social responsibility and ensures economic sustainability for our generation and future generations. All of the above by implementing the best corporate governance practices.

Sustainability is a key element of GCC's business strategy, which is defined by the board of directors and the senior leadership team. A member of the board of directors leads the Sustainability Committee and is responsible for establishing the sustainability strategy. Each of GCC's divisions takes responsibility for implementing the sustainability strategy, including compliance with legal and regulatory requirements. This also includes the required capture and reporting of production, operation, consumption and emissions data as well as voluntary commitments made as a member of the Global Cement and Concrete Association (GCCA).

GCC's sustainability strategy was redesigned to better align with global sustainability guidelines. GCC's sustainability pillars are: Climate & Energy, Circular Economy, Health & Safety, Environment & Nature and Social Responsibility.

GCC is committed to set science-based emission reductions targets in line with the level of de-carbonization required to keep global temperature increase well-below 2 degrees Celsius by joining the Science Based Targets Initiative. Moreover, GCC announced that it has come together with the global industry to state a collective objective for carbon neutral concrete by 2050 in order to meet the global climate challenge.

e) Greenhouse Gas Emissions and Energy Management for Manufacturers in the State of Colorado (GEMM)

This rule became effective starting December 15, 2021 and requires facilities to regularly audit their GHG emitting processes to ensure GHG Best Available Emission Control Technologies (BAECT) and Energy Best (Energy BMPs) Management Practices are being used and to annually achieve a 5% reduction on total Green House Gas (GHG) emissions. The audit is required every 5 years and must analyze whether the facility is using the current BAECT and Energy BMPs for controlling GHGs.

Colorado Air Pollution and Control Division must approve plans for the audit and concur with the result. GCCRG's cement plant in Pueblo, Colorado is subject to this rule.

During 2023 and as part of the compliance action plan with the State, GCC completed and obtained approval on a plan to operate using BAECT and reduce GHG emissions to comply with the rule for the first 5-year audit cycle. GCC projects to invest in capital projects $2,900 approximately to comply with the plan. GCC has also agreed to reimburse a supplier for pre-construction and exploration costs incurred initially in the event a related project cannot be completed for any reason other than those in control of the supplier. The expected pre-construction and exploratory costs are $714.

The company must perform audits every 5 years through 2037 and the required investments to comply with this rule for future audits is unknown and not possible to estimate.

29. Operations that do not generate cash flows

During the years ended December 31, 2023, 2022 and 2021, the Company conducted operations that did not generate cash flows from investing activities and therefore are not reflected in the consolidated statements of cash flows:

	2023	2022	2021
Acquisition of property, plant and equipment	$ 19,764	$ 32,264	$ 16,571
Leases	$ 18,168	$ 19,730	$ 4,880

30. Subsequent events

On January 3, 2024, in connection with the resolutions issued by the different authorities of the Central Administration of Large Taxpayers' Litigation, through which the appeals for revocation filed by GCC, S.A.B. de C.V., GCC Cemento, S.A. de C.V., and Cementos de Chihuahua, S.A. de C.V. were resolved against the different tax assessments issued for the tax years 2014, 2015, 2016, 2017 and 2018, respectively, the companies have a period of 30 business days from the date of notification thereof to file the Federal Administrative Litigation Proceedings before the Federal Court of Administrative Justice with respect to each of the aforementioned resolutions.

In this regard, our advisors believe that the nullity trials that will be filed, both with respect to each of the resolutions that resolved the appeals for revocation filed, as well as the resolutions determining the tax credits of each company, have a high probability that they will be resolved in favor of GCC, S.A.B. de C.V., GCC Cemento, S.A. de C.V. and Cementos de Chihuahua, S.A. de C.V.

In January and February of 2024, the annulment proceedings in the litigation process were filed under each tax credit established by the tax authority. Correspondingly, the financial guarantees filed by GCC, S.A.B. de C.V., were accepted on January 29 and February 9, 2024, and on March 13, 2024 for GCC Cemento, S.A. de C.V., and Cementos de Chihuahua, S.A. de C.V

31. Authorization to issue the consolidated financial statements

On April 25, 2024, the accompanying consolidated financial statements were authorized for their issuance by Maik Strecker, Chief Financial Officer; consequently, they do not reflect events occurred after that date and are subject to the approval of the Company's ordinary shareholders' meeting where they may be modified, based on provisions set forth in the Mexican General Corporate Law.

The consolidated financial statements as of December 31, 2022 were approved by the general meeting of shareholders held on April 27, 2023.

FERNANDO RUIZ SAHAGÚN
Contador Público

INFORME DEL COMITÉ DE AUDITORIA Y DE PRÁCTICAS SOCIETARIAS

CIUDAD DE MÉXICO
Corporativo Piramide
Vasco de Quiroga 2121
4º Piso, Peña Blanca Santa Fe
C.P. 01210

H. CONSEJO DE ADMINISTRACIÓN
Y ASAMBLEA GENERAL ORDINARIA DE ACCIONISTAS
DE GCC, S.A.B. DE C.V.

Estimados señores Consejeros y Accionistas:

En cumplimiento a lo dispuesto por los Artículos 42 y 43 de la Ley del Mercado de Valores, sometemos a la consideración del Consejo de Administración y la Asamblea de Accionistas, el siguiente informe de actividades correspondiente al ejercicio terminado el 31 de diciembre de 2023.

A partir de la Asamblea de Accionistas celebrada el día 27 de abril de 2023 en la que fui designado; los miembros del Comité celebramos 5 reuniones.

En dichas reuniones se trataron los temas siguientes:

I. **Con respecto a lo establecido en el Art. 42 de la Ley del Mercado de Valores, lo siguiente:**

En materia de prácticas societarias:

a) La presentación de los integrantes del Comité de Auditoría y de Prácticas Societarias para el ejercicio 2023-2024.

b) Presentación al Consejo de Administración para su opinión favorable y recomendación de los estados financieros anuales no auditados de la sociedad por el ejercicio de 2023 para su posterior envío a la Bolsa Mexicana de Valores ("BMV").

Los aspectos más relevantes fueron:

1. Presentación y aprobación del presupuesto para el ejercicio de 2024.
2. Presentación de las principales posiciones y puestos en la sociedad y el plan de sucesión.

3. Se aprobó el cumplimiento a las políticas sobre la retribución para el Director General y los Directivos relevantes, haciéndose la propuesta al Consejo de Administración para su aprobación.

En materia de auditoría:

a) Presentación de los honorarios 2023 de la firma KPMG Cárdenas Dosal, S.C., ("KPMG") considerando adecuado el monto de honorarios por concepto de los servicios de auditoría, para lo cual se ratificó al despacho y sus honorarios.

b) Presentación y aprobación del Programa de Auditoria 2023 por el Despacho Auditor KPMG.

c) Presentación y aprobación del plan de soporte y control de cumplimiento a la Circular Única de Auditores Externos (CUAE).

d) Se aprobó el plan de trabajo para el ejercicio 2023 y avances de la remediación de las observaciones sobre el ejercicio 2022.

e) Se aprobaron los avances y el reporte del plan de trabajo de auditoría interna de 2023, específicamente relacionados con el cumplimiento de la Sociedad respecto a la Ley Federal de Protección de Datos Personales en Posesión de los Particulares, y al plan para evitar la entrega de productos sin factura.

f) Se aprobó el Plan Anual de Auditoría Interna 2024 que incluye en su inicio 141 procedimientos repartidos en 7 procesos de negocio y de *compliance* y que se encuentran documentados en la plataforma *HighBond* de *Diligent*.

g) Se presentaron para su revisión y opinión favorable y recomendación al Consejo, la aprobación de los estados financieros internos de la sociedad de cada trimestre de 2023 y el primero de 2024 para su posterior envío a la BMV.

h) Se apoyó al Consejo de Administración en la elaboración de los informes a que se refiere el Art. 28, fracción IV, incisos d) y e) de la Ley del Mercado de Valores.

i) Se aprobó la presentación por parte de Madata IT, S.A. de C.V., del plan de recuperación para el caso de desastres *"Disaster Recovery Plan"* (DPR).

En términos del **artículo 34** de las disposiciones de carácter general aplicables a las entidades y emisoras supervisadas por la Comisión Nacional Bancaria y de Valores ("CNBV"), este Comité cumplió con las obligaciones siguientes:

j) Se evaluaron y aprobaron los servicios distintos al de la auditoría externa de Estados Financieros Básicos y Complementarios que proporciona el Despacho encargado de realizar la auditoría externa.

FRS

k) Se aprobaron los resultados de la evaluación del desempeño del Auditor Externo Independiente, así como de la calidad del Informe de Auditoría Externa, los comunicados y opiniones, elaborados en cumplimiento a lo dispuesto en la fracción I anterior del artículo 34 citado.

l) No hubo denuncias realizadas por accionistas, consejeros, directivos relevantes, empleados y en general, de cualquier tercero sobre temas relacionados con la auditoría externa.

II. Se cumplió con lo señalado en el Artículo 43 de la Ley del Mercado de Valores tratándose los siguientes temas:

a) El Comité verificó que la firma KPMG cumpliera con los criterios de independencia que establece la normativa aplicable.

b) Se revisaron los Estados Financieros de GCC, S.A.B. de C.V., y empresas subsidiarias, dictaminados por el ejercicio de 2023, autorizándose junto con el correspondiente Dictamen, a efecto de que, una vez aprobados por el Consejo de Administración, sean sometidos a la Asamblea General Ordinaria de Accionistas y presentados a la BMV.

c) Se presentó el informe del Director General de la Sociedad para su aprobación y posterior presentación al Consejo de Administración y a la Asamblea General Ordinaria de Accionistas.

d) Se aprobó el informe del Director General sobre el avance de la estrategia de sustentabilidad.

e) Presentación y discusión de la situación que guardan los procesos de auditoría.

f) Revisión de la posición legal de la compañía en relación a los litigios de tipo fiscal, instruida y efectuada por el Comité con asesor externo.

g) Se presentó el informe sobre el cumplimiento de las operaciones de GCC con partes relacionadas, mismo que fue aprobado para su presentación al Consejo de Administración

h) Presentación por parte de los Auditores de KPMG, Cárdenas Dosal, S.C. de las observaciones a la auditoría del ejercicio fiscal 2023.

i) Se aprobó por parte del equipo auditor la información a presentar a la CNBV y a la BMV en relación al cumplimiento a la Nueva Circular de Auditores Externos para la evaluación del Comité de Auditoria y de Prácticas Societarias.

j) Presentación para su aprobación y posterior presentación al Consejo de Administración y a la Asamblea General de Accionistas del Informe del Comité, a cargo de su presidente.

FRS

k) El Comité verificó que la sociedad diese adecuado seguimiento a las recomendaciones y acciones correctivas sugeridas por los auditores externos sin que se presentaran irregularidades o fallas, emitiendo su opinión en los distintos asuntos de su competencia.

l) No se presentó dispensa alguna para aprovechar oportunidades de negocio por parte de algún consejero, Directivo Relevante o persona con poder de mando.

Chihuahua, Chih., a 19 de marzo de 2024

Atentamente

Fernando Ruiz Sahagún
Presidente del Comité de Auditoria
y de Prácticas Societarias

FRS

FERNANDO RUIZ SAHAGÚN
Contador Público

CIUDAD DE MÉXICO
Corporativo Pirámide
Vasco de Quiroga 2121
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INFORME DEL COMITÉ DE AUDITORIA Y DE PRÁCTICAS SOCIETARIAS

H. CONSEJO DE ADMINISTRACIÓN
Y ASAMBLEA GENERAL ORDINARIA DE ACCIONISTAS
DE GCC, S.A.B. DE C.V.

Estimados señores Consejeros y Accionistas:

En cumplimiento a lo dispuesto por los Artículos 42 y 43 de la Ley del Mercado de Valores, sometemos a la consideración del Consejo de Administración y Asamblea de Accionistas, el siguiente informe de actividades correspondiente al ejercicio terminado el 31 de diciembre de 2022.

A partir de la Asamblea de Accionistas celebrada el día 28 de abril de 2022 en la que fui designado; los miembros del Comité celebramos 5 reuniones.

En dichas reuniones se trataron los temas siguientes:

I. Con respecto a lo establecido en el Art. 42 de la Ley del Mercado de Valores, lo siguiente:

En materia de prácticas societarias:

a) La presentación de los integrantes del Comité de Auditoría y de Prácticas Societarias para el ejercicio 2022-2023.

b) Presentación al Consejo de Administración para su opinión favorable y recomendación de los estados financieros anuales no auditados de la sociedad por el ejercicio de 2022 para su posterior envío a la Bolsa Mexicana de Valores ("BMV").

Los aspectos más relevantes fueron:

1. Se acordó la presentación de los planes de la sociedad hacia el año 2030 para reducir la huella o emisión de carbono en el proceso de la fabricación del cemento.

2. Presentación y aprobación del presupuesto para el ejercicio de 2023.

3. Presentación de las principales posiciones y puestos en la sociedad y el tema de sucesión.

4. Se aprobó el cumplimiento a las políticas sobre la retribución para el Director General y los Directivos relevantes, haciéndose la propuesta al Consejo de Administración para su aprobación.

En materia de auditoría:

a) Presentación y aprobación de la recomendación del Comité para la evaluación y propuesta de las firmas de auditores para el ejercicio fiscal de 2022, para contratar a la firma de auditoría KPMG Cárdenas Dosal, S.C., ("KPMG") considerando el mejor balance global cualitativo y cuantitativo.

b) Presentación y aprobación del Programa de Auditoria 2022 por el Despacho Auditor KPMG.

c) Presentación y aprobación del plan de soporte y control de cumplimiento a la Circular Única de Auditores Externos (CUAE).

d) Se aprobó el plan de trabajo para el ejercicio de 2022 y avances de la remediación de las observaciones sobre el ejercicio 2021.

e) Se aprobó el Plan Anual de Auditoría Interna 2023 que incluye en su inicio 127 procedimientos repartidos en 7 procesos de negocio y de *compliance* y que se encuentran documentados en la plataforma *HighBond* de *Diligent*.

f) Se presentaron para su revisión y opinión favorable y recomendación al Consejo, la aprobación de los estados financieros internos de la sociedad de cada trimestre de 2022 y el primero de 2023 para su posterior envío a la BMV.

g) Se apoyó al Consejo de Administración en la elaboración de los informes a que se refiere el Art. 28, fracción IV, incisos d) y e) de la Ley del Mercado de Valores.

h) Se aprobó la presentación por parte de Madata IT, S.A. de C.V., del plan de recuperación para el caso de desastres *"Disaster Recovery Plan"* (DPR).

En términos del **artículo 34** de las disposiciones de carácter general aplicables a las entidades y emisoras supervisadas por la Comisión Nacional Bancaria y de Valores ("CNBV"), este Comité cumplió con las obligaciones siguientes:

i) Se evaluaron y aprobaron los servicios distintos al de la auditoría externa de Estados Financieros Básicos y Complementarios que proporciona el Despacho encargado de realizar la auditoría externa.

j) Se aprobaron los resultados de la evaluación del desempeño del Auditor Externo Independiente, así como de la calidad del Informe de Auditoría Externa, los comunicados y opiniones, elaborados en cumplimiento a lo dispuesto en la fracción I anterior del artículo 34 citado.

k) No hubo denuncias realizadas por accionistas, consejeros, directivos relevantes, empleados y en general, de cualquier tercero sobre temas relacionados con la auditoría externa.

FRS

II. Se cumplió con lo señalado en el Artículo 43 de la Ley del Mercado de Valores tratándose los siguientes temas:

a) El Comité verificó que la firma KPMG cumpliera con los criterios de independencia que establece la normativa aplicable.

b) Se revisaron los Estados Financieros de GCC, S.A.B. de C.V., y empresas subsidiarias, dictaminados por el ejercicio de 2022, autorizándose junto con el correspondiente Dictamen, a efecto de que, una vez aprobados por el Consejo de Administración, sean sometidos a la Asamblea General Ordinaria de Accionistas y presentados a la BMV.

c) Se presentó el informe del Director General de la Sociedad para su aprobación y posterior presentación al Consejo de Administración y a la Asamblea General Ordinaria de Accionistas.

d) Se aprobó el informe del Director General sobre el avance de la estrategia de sustentabilidad.

e) Presentación y discusión de la situación que guardan los procesos de auditoria.

f) Revisión de la posición legal de la compañía en relación a los litigios de tipo fiscal, instruida y efectuada por el Comité con asesor externo.

g) Se presentó el informe sobre el cumplimiento de las operaciones de GCC con partes relacionadas, mismo que fue aprobado para su presentación al Consejo de Administración

h) Se aprobó por parte de Auditoria Interna las observaciones y recomendaciones del ejercicio 2022.

i) Se aprobó por parte del equipo auditor la información a presentar a la CNBV y a la BMV en relación al cumplimiento a la Nueva Circular de Auditores Externos para la evaluación del Comité de Auditoria y de Prácticas Societarias.

j) Presentación para su aprobación y posterior presentación al Consejo de Administración y a la Asamblea General de Accionistas del Informe del Comité, a cargo de su presidente.

k) El Comité verificó que la sociedad diese adecuado seguimiento a las recomendaciones y acciones correctivas sugeridas por los auditores externos sin que se presentaran irregularidades o fallas, emitiendo su opinión en los distintos asuntos de su competencia.

l) Se informó y aprobó el nombramiento del nuevo Director de Administración y Finanzas, explicando que el nombramiento atiende a la reorganización del Equipo Directivo y al enfoque corporativo para lograr los objetivos de la Visión GCC 2025.

FRS

m) No se presentó dispensa alguna para aprovechar oportunidades de negocio por parte de algún consejero, Directivo Relevante o persona con poder de mando.

Chihuahua, Chih., a 24 de marzo de 2023

Atentamente

Fernando Ruiz Sahagún
Presidente del Comité de Auditoría
y de Prácticas Societarias

FRS

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FERNANDO RUIZ SAHAGÚN
Contador Público

INFORME DEL COMITÉ DE AUDITORIA Y PRÁCTICAS SOCIETARIAS

Ciudad De México
Corporativo Pirámide
Vasco de Quiroga 2121
4° Piso. Peña Blanca Santa Fe
C.P. 01210

H. CONSEJO DE ADMINISTRACIÓN
Y ASAMBLEA GENERAL ORDINARIA DE ACCIONISTAS
DE GCC, S.A.B. DE C.V.

Estimados Consejeros y Accionistas:

En cumplimiento a lo dispuesto por los Artículos 42 y 43 de la Ley del Mercado de Valores, sometemos a la consideración del Consejo de Administración y Asamblea de Accionistas, el siguiente informe de actividades correspondiente al ejercicio terminado el 31 de diciembre de 2021.

A partir de la Asamblea de Accionistas celebrada el día 29 de abril de 2021 en la que fui designado; los miembros del Comité celebramos 5 reuniones.

En dichas reuniones se trataron los temas siguientes:

I. Con respecto a lo establecido en el Art. 42 de la Ley del Mercado de Valores, lo siguiente:

En materia de prácticas societarias:

a) La presentación de los integrantes del Comité de Auditoria y Prácticas Societarias para el ejercicio 2021-2022.

b) Se presentó al Consejo de Administración para su opinión favorable y recomendación, los estados financieros anuales no auditados de la sociedad por el ejercicio de 2021 para su posterior envío a la Bolsa Mexicana de Valores.

Los aspectos más relevantes fueron:

1. Revisión y aprobación del comparativo solicitado de Madata IT, S.A. de C.V., empresa relacionada que presta servicios de tecnologías de información con otros Socios.

2. Presentación de los efectos de la reforma de la subcontratación en GCC, en la cual se detalla el estatus sobre las acciones derivadas del proyecto de Reforma a la Ley en la relación con Outsourcing como son las transferencias internas; la clasificación de contratistas y el cálculo del impacto en nómina.

3. Presentación del Presupuesto para el ejercicio de 2021, incluyendo el Plan de Inversión.

4. Presentación de las principales posiciones y/o puestos en la Sociedad y el tema de Sucesión.

5. Se aprobó el cumplimiento a las políticas sobre la retribución para el Director General y los Directivos relevantes, haciéndose la propuesta al Consejo de Administración para su aprobación.

En materia de auditoría:

a) Presentación del Programa de Auditoría 2021 con el Despacho Auditor Externo Deloitte (Galaz, Yamazaki, Ruiz Urquiza, S.C.).

b) La presentación del plan anual de auditoría interna para el ejercicio de 2021.

c) Presentación del plan de soporte y control de cumplimiento a la Circular Única de Auditores Externos para la evaluación del Comité de Auditoría y Prácticas Societarias.

d) Se aprobaron los resultados del Plan Anual de Auditoría del ejercicio 2022 y el resultado del plan anual de auditoría interna por el ejercicio 2021. Señalando principalmente que en el año 2021 se establecieron 98 procedimientos a ejecutar, cerrando el año con 19 procedimientos adicionales. El crecimiento en los procedimientos de auditoría se enfocó en los riesgos detectados por el área de Control Interno.

Por lo que respecta al Plan Anual de Auditoría 2022, se informó que incluye en su inicio 121 procedimientos de auditoría repartidos en 7 procesos de negocio y de compliance.

e) Presentación por parte de los Auditores de Deloitte (Galaz, Yamazaki, Ruiz Urquiza, S.C.) de las observaciones a la auditoría del ejercicio fiscal 2021.

f) Se presentaron para su revisión y opinión favorable y recomendación al Consejo, la aprobación de los estados financieros internos de la Sociedad de cada trimestre de 2021 y el primero de 2022 para su posterior envío a la Bolsa Mexicana de Valores.

g) Se apoyó al Consejo de Administración en la elaboración de los informes a que se refiere el Art. 28, fracción IV, incisos d) y e) de la Ley del Mercado de Valores.

h) Se revisaron los avances y actualización de los programas de ciberseguridad y de tecnología de la información y la continuidad en la operación de la empresa bajo diversos escenarios de estrés

En términos del artículo 34 de las disposiciones de carácter general aplicables a las entidades y emisoras supervisadas por la Comisión Nacional Bancaria y de Valores, este Comité cumplió con las obligaciones siguientes:

FRS

i) Se evaluaron los servicios distintos al de la auditoría externa de Estados Financieros Básicos y complementarios que en su caso, proporciona el Despacho encargado de realizar la auditoría externa Galaz, Yamazaki, Ruiz, Urquiza, S.C., (Deloitte Touche Tohmatsu Limited).

j) Se aprobaron los resultados de la evaluación del desempeño del Auditor Externo Independiente, así como de la calidad del Informe de Auditoría Externa, los comunicados y opiniones, elaborados en cumplimiento a lo dispuesto en la fracción I anterior del artículo 34 citado.

k) No hubo denuncias realizadas por accionistas, consejeros, directivos relevantes, empleados y en general, de cualquier tercero sobre temas relacionados con la auditoría externa.

II. Se cumplió con lo señalado en el Artículo 43 de la Ley del Mercado de Valores tratándose los siguientes temas:

a) La ratificación y aprobación del pago de honorarios a los Auditores Externos para el ejercicio de 2021 de la firma Galaz, Yamazaki, Ruiz, Urquiza, S.C., (Deloitte Touche Tohmatsu Limited).

b) El Comité se cercioró que la Firma de Auditores Externos de Deloitte (Galaz, Yamazaki, Ruiz Urquiza, S.C.) cumpliera con los criterios de independencia que establece la normativa aplicable y revisó el presupuesto de honorarios por los servicios de auditoría externa.

c) Se revisaron los Estados Financieros de GCC, S.A.B. de C.V., y empresas subsidiarias, dictaminados por el ejercicio de 2021, autorizándose junto con el correspondiente Dictamen, a efecto de que una vez aprobados por el Consejo de Administración, sean sometidos a la Asamblea General Ordinaria de Accionistas y sean presentados a la Bolsa Mexicana de Valores.

d) Presentación del resultado de la emisión del Bono 2022 informando que con fecha 12 de enero del presente año se concretó la emisión del Bono vinculado a la sustentabilidad por $500'000,000.00 USD (QUINIENTOS MILLONES DE DÓLARES, MONEDA DE LOS ESTADOS UNIDOS DE NORTEAMÉRICA) con una tasa de interés de 3.614% y con fecha de vencimiento de abril del 2032 de acuerdo a como se había presentado para su autorización.

e) Se aprobó la propuesta de los honorarios de servicios extraordinarios de los auditores externos por la emisión del bono.

f) Presentación de la situación actual de los procesos de auditoría iniciados por el SAT.

g) Presentación del tema sobre el estatus del juicio arbitral que actualmente tiene GCC sobre la venta de las acciones de SOBOCE.

h) Presentación del tema sobre el Buzón de Sugerencias y los casos atendidos.

i) La Presentación sobre la Reincorporación de los Trabajadores en las actividades laborales en Pandemia.

FRS

j) Se presentó el informe del Director General de la Sociedad para su aprobación y posterior presentación al Consejo de Administración y a la Asamblea General Ordinaria de Accionistas.

k) El Director General presentó el informe sobre el cumplimiento de las operaciones de GCC con partes relacionadas, las cuales fueron aprobados para su presentación al Consejo de Administración

l) Se presentó por parte de Auditoria Interna las observaciones y recomendaciones del ejercicio 2021.

m) Se presentó por parte del equipo auditor la información a presentar a la CNBV y a la BMV en relación al cumplimiento a la Nueva Circular de Auditores Externos para la evaluación del Comité de Auditoria y Prácticas Societarias.

n) Presentación por parte del Presidente del Comité de Auditoria y Prácticas Societarias del Informe del Comité para su aprobación y posterior presentación al Consejo de Administración y a la Asamblea General Ordinaria de Accionistas.

o) El Comité se aseguró que la Administración diese adecuado seguimiento a las recomendaciones y acciones correctivas sugeridas por los Auditores externos de Deloitte (Galaz, Yamazaki, Ruiz Urquiza, S.C.), sin que se presentaran irregularidades o fallas, emitiendo su opinión en los distintos asuntos de su competencia.

p) Se aprobaron los avances en control interno y normatividad contable para el ejercicio de 2021.

q) No se presentó dispensa alguna para aprovechar oportunidades de negocio por parte de algún Consejero, Directivo Relevante o persona con poder de mando.

Chihuahua, Chih., a 28 de abril de 2022

Atentamente

Fernando Ruiz Sahagún
Presidente del Comité de Auditoria
y Prácticas Societarias

FRS

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