

# Unión Andina de Cementos S.A.A. & Subsidiaries

UNAUDITED Consolidated interim  
financial information as of March  
31, 2022 and December 31, 2021



**UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES**  
**Statement of Financial Position**  
For the periods ended March 31, 2022 and December 31, 2021  
(In thousands of Soles)

|   | Notes | As of March<br>31,<br>2022 | As of December<br>31,<br>2021 |
|---|-------|----------------------------|-------------------------------|
| <b>Assets</b>   |       |                            |                               |
| <b>Current Assets</b>   |       |                            |                               |
| Cash and cash equivalents   | 3     | 407,513                    | 399,755                       |
| Other Financial Assets  |       | 27,763                     | 3,886                         |
| <b>Trade Accounts Receivable and other accounts receivable</b>  |       | <b>681,413</b>             | <b>647,538</b>                |
| Trade Accounts Receivable , net   | 4     | 544,177                    | 530,009                       |
| Other Accounts Receivable , net   | 4     | 69,996                     | 62,990                        |
| Accounts Receivable from Related Companies  | 4     | 36,929                     | 31,500                        |
| Advanced payments   | 4     | 30,311                     | 23,039                        |
| Inventories   | 5     | 759,705                    | 675,556                       |
| Biological Assets   |       | -                          | -                             |
| Assets by Income Taxes  | 4     | 15,604                     | 14,109                        |
| Other Non-Financial Assets  |       | 43,959                     | 23,418                        |
| <b>Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners</b> |       | <b>1,935,957</b>           | <b>1,764,262</b>              |
| Non-current assets or groups of assets for disposal Classified as Held for Sale   |       | -                          | -                             |
| Non-current assets or groups of assets for its classified as held for distribution to owners  |       | -                          | -                             |
| <b>Non-current assets or groups of assets for disposal Classified as Held for Sale or Held for distribution to owners</b>               |       | <b>-</b>                   | <b>-</b>                      |
| <b>Total Current Assets</b>   |       | <b>1,935,957</b>           | <b>1,764,262</b>              |
| <b>Non-Current Assets</b>   |       |                            |                               |
| Other Financial Assets  |       | -                          | -                             |
| Investments in subsidiaries, joint ventures and associates  |       | 21,442                     | 20,961                        |
| <b>Trade Accounts Receivables and other accounts receivables</b>  |       | <b>88,752</b>              | <b>89,260</b>                 |
| Trade Accounts Receivable   |       | -                          | -                             |
| Other Accounts Receivable   | 6     | 86,811                     | 86,968                        |
| Accounts Receivable from Related companies  |       | -                          | -                             |
| Advanced payments   | 6     | 1,941                      | 2,292                         |
| Biological Assets   |       | -                          | -                             |
| Investment Property   |       | -                          | -                             |
| Property, Plant and Equipment , net   | 9     | 7,288,146                  | 7,491,629                     |
| Intangible Assets , net   | 10    | 211,350                    | 226,091                       |
| Assets Deferred Income Tax  | 14    | 200,102                    | 206,404                       |
| Surplus value   | 11    | 1,173,519                  | 1,178,802                     |
| Other Assets  |       | 145,214                    | 145,889                       |
| <b>Total Non-current Assets</b>   |       | <b>9,128,525</b>           | <b>9,359,036</b>              |
| <b>TOTAL ASSETS</b>   |       | <b>11,064,482</b>          | <b>11,123,298</b>             |

|  | Notes     | As of March<br>31,<br>2022 | As of<br>December 31,<br>2021 |
|--|-----------|----------------------------|-------------------------------|
| <b>Liabilities and Stockholders' Equity</b>  |           |                            |                               |
| <b>Current Liabilities</b>   |           |                            |                               |
| Other Financial Liabilities  | 12        | 843,212                    | 700,255                       |
| <b>Trade accounts payable and other payable accounts</b>   |           | <b>862,882</b>             | <b>858,575</b>                |
| Trade Accounts Payable   | 13        | 596,460                    | 556,438                       |
| Other Accounts Payable   | 13        | 243,447                    | 281,547                       |
| Accounts payable to related companies  | 13        | 21,776                     | 19,583                        |
| Deferred Income  |           | 1,199                      | 1,007                         |
| Provision for Employee Benefits  |           | -                          | -                             |
| Other provisions   |           | 70,046                     | 88,814                        |
| Income tax liabilities   |           | 104,338                    | 117,085                       |
| Other non-financial liabilities  |           | 8,826                      | 8,554                         |
| <b>Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale</b> |           | <b>1,889,304</b>           | <b>1,773,283</b>              |
| Liabilities included in asset groups classified as held for sale   |           | -                          | -                             |
| <b>Total Current Liabilities</b>   |           | <b>1,889,304</b>           | <b>1,773,283</b>              |
| <b>Non-Current Liabilities</b>   |           |                            |                               |
| Other Financial Liabilities  | 12        | 3,050,065                  | 3,227,779                     |
| <b>Trade accounts payable and other payable accounts</b>   |           | <b>31,204</b>              | <b>37,950</b>                 |
| Trade Accounts Payable   |           | -                          | -                             |
| Other Accounts Payable   | 13        | 31,204                     | 37,950                        |
| Accounts payable to related companies  |           | -                          | -                             |
| Deferred Income  |           | -                          | -                             |
| Provision for Employee Benefits  |           | -                          | -                             |
| Other provisions   |           | 68,627                     | 70,489                        |
| Liabilities Deferred Income Taxes  | 14        | 597,544                    | 594,623                       |
| Other non-financial liabilities  | 8(b)y24.A | 27,652                     | 48,867                        |
| <b>Total Non-Current Liabilities</b>   |           | <b>3,775,092</b>           | <b>3,979,708</b>              |
| <b>Total Liabilities</b>   |           | <b>5,664,396</b>           | <b>5,752,991</b>              |
| <b>Stockholders' Equity</b>  |           |                            |                               |
| Capital Issued   | 15        | 1,818,128                  | 1,818,128                     |
| Issuance Premiums  | 15        | -38,019                    | -38,019                       |
| Investment shares  |           | -                          | -                             |
| Treasury Shares in portfolio   | 15        | -19,911                    | -11,610                       |
| Other Capital Reserves   | 15        | 363,626                    | 363,626                       |
| Accrued Results  | 15        | 2,690,596                  | 2,556,053                     |
| Other Equity Reserves  | 15        | 297,772                    | 406,540                       |
| <b>Shareholders' equity attribute to the owners of the Parent</b>  |           | <b>5,112,192</b>           | <b>5,094,718</b>              |
| Non Controlling interest   |           | 287,894                    | 275,589                       |
| <b>Total Stockholders' Equity</b>  |           | <b>5,400,086</b>           | <b>5,370,307</b>              |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |           | <b>11,064,482</b>          | <b>11,123,298</b>             |



# UNION ANDINA DE CEMENTOS S.A.A. Y SUBSIDIARIAS

## Income Statement

For the periods ended March 31, 2022 and 2021

(In thousands of Soles)

|   | Notes | For the specific quarter<br>from January 1, to March<br>31, 2022 | For the specific quarter<br>from January 1, to March<br>31, 2021 | For the cumulative<br>period from January 1st to<br>March 31, 2022 | For the cumulative<br>period from January 1st to<br>March 31, 2021 |
|---|-------|--|--|--|--|
| Incomes from ordinary activities  | 16    | 1,374,293  | 1,086,959  | 1,374,293  | 1,086,959  |
| Cost of Sales   | 17    | -956,632   | -743,202   | -956,632   | -743,202   |
| <b>Profit (Loss) Gross</b>  |       | <b>417,661</b>   | <b>343,757</b>   | <b>417,661</b>   | <b>343,757</b>   |
| Selling Expenses and distribution   |       | -24,295  | -20,429  | -24,295  | -20,429  |
| Administrative expenses   | 18    | -96,372  | -67,338  | -96,372  | -67,338  |
| Profit (Loss) in the write-off of financial assets carried at amortized cost  |       | -  | -  | -  | -  |
| Other Operating Income  | 19    | 7,396  | 99,176   | 7,396  | 99,176   |
| Other Operating Expenses  |       | -6,483   | -15,820  | -6,483   | -15,820  |
| Other profit (loss)   |       | -  | -  | -  | -  |
| <b>Profit (Loss) from operating activities</b>  |       | <b>297,907</b>   | <b>339,346</b>   | <b>297,907</b>   | <b>339,346</b>   |
| Financial Income  |       | 6,083  | 2,034  | 6,083  | 2,034  |
| Financial Expenses  | 20    | -46,511  | -60,314  | -46,511  | -60,314  |
| Exchange differences, net   |       | 42,104   | -20,012  | 42,104   | -20,012  |
| Share of Profit (Loss) in net results from Equity-Accounted Joint Ventures and related companies  |       | 481  | 1,693  | 481  | 1,693  |
| Profit (Loss) arising from the difference between the previous book value and fair value of Reclassified financial assets accounted at fair value |       | -  | -  | -  | -  |
| Difference between the book value of the distributed assets and the book value of the divided payable   |       | -  | -  | -  | -  |
| <b>Gains before Income tax</b>  |       | <b>300,064</b>   | <b>262,747</b>   | <b>300,064</b>   | <b>262,747</b>   |
| Income tax expenses   | 14(a) | -108,616   | -49,115  | -108,616   | -49,115  |
| <b>Profit (Loss) Net of Continued Operations</b>  |       | <b>191,448</b>   | <b>213,632</b>   | <b>191,448</b>   | <b>213,632</b>   |
| Profit (loss) net of the tax to the profit from discontinued operations   |       | -  | -  | -  | -  |
| <b>Profit (loss) net of the year</b>  |       | <b>191,448</b>   | <b>213,632</b>   | <b>191,448</b>   | <b>213,632</b>   |
| <b>Profit (Loss) net, attributable to :</b>   |       |  |  |  |  |
| Owners of the Parent  |       | 174,737  | 201,351  | 174,737  | 201,351  |
| Non-controlling interest  |       | 16,711   | 12,281   | 16,711   | 12,281   |
| <b>Net Profit (Loss) of the Year</b>  |       | <b>191,448</b>   | <b>213,632</b>   | <b>191,448</b>   | <b>213,632</b>   |



**UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES**  
**Statement of Comprehensive Income**  
For the periods ended March 31, 2022 and 2021  
(In Thousands of Soles)

| Notes   | For the specific<br>quarter from<br>January 1, to March<br>31, 2022 | For the specific<br>quarter from<br>January 1, to March<br>31, 2021 | For the cumulative<br>period from January 1st to<br>March 31, 2022 | For the cumulative<br>period from January 1st<br>to March 31, 2021 |
|---|---|---|--|--|
| <b>Net Profit (Loss) of the year</b>  | <b>191,448</b>  | <b>213,632</b>  | <b>191,448</b>   | <b>213,632</b>   |
| <b>Components of other comprehensive income:</b>  |   |   |  |  |
| Net Change for Cash Flow Hedges   | -   | -   | -  | -  |
| Hedges of a Net Investment in a Foreign Operation   | -   | -   | -  | -  |
| Profit (Loss) in equity instrument investments at fair value  | -   | -   | -  | -  |
| Exchange difference on translation of Foreign Operations  | -   | -   | -  | -  |
| Net variation of non-current assets or groups of assets held for sale   | -   | -   | -  | -  |
| Participation in other comprehensive income of related companies and joint ventures accounted for using the equity method | -   | -   | -  | -  |
| Revaluation Surplus   | -   | -   | -  | -  |
| Actuarial Gain (Loss) on defined benefit pension plans  | -   | -   | -  | -  |
| Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability            | -   | -   | -  | -  |
| <b>Other Comprehensive Income Pre Tax</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>   | <b>-</b>   |
| <b>Income tax relating to components of other comprehensive income</b>  |   |   |  |  |
| Net Change for Cash Flow Hedges   | 11,592  | 3,027   | 11,592   | 3,027  |
| Hedges of a Net Investment in a Foreign Operation   | -   | -   | -  | -  |
| Profit (Loss) in equity instrument investments at fair value  | -   | -   | -  | -  |
| Exchange difference on translation of Foreign Operations  | -120,878  | 57,757  | -120,878   | 57,757   |
| Net variation of non-current assets or groups of assets held for sale   | -   | -   | -  | -  |
| Participation in other comprehensive income of related companies and joint ventures accounted for using the equity method | -   | -   | -  | -  |
| Revaluation Surplus   | -   | -   | -  | -  |
| Actuarial Gain (Loss) on defined benefit pension plans  | -   | -   | -  | -  |
| Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability            | -   | -   | -  | -  |
| <b>Sum of Income Tax-Related Components of other comprehensive income</b>   | <b>-109,286</b>   | <b>60,784</b>   | <b>-109,286</b>  | <b>60,784</b>  |
| <b>Other Comprehensive Income</b>   | <b>-109,286</b>   | <b>60,784</b>   | <b>-109,286</b>  | <b>60,784</b>  |
| <b>Total Comprehensive Income for the period , net of income tax</b>  | <b>82,162</b>   | <b>274,416</b>  | <b>82,162</b>  | <b>274,416</b>   |
| <b>Comprehensive Income attributable to:</b>  |   |   |  |  |
| Owners of the Parent  | 65,969  | 260,943   | 65,969   | 260,943  |
| Non-controlling interest  | 16,193  | 13,473  | 16,193   | 13,473   |
| <b>Total Comprehensive Income of the Year, net</b>  | <b>82,162</b>   | <b>274,416</b>  | <b>82,162</b>  | <b>274,416</b>   |



UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES

Statement of Cash Flow

Direct Method

For the periods ended March 31, 2022 and 2021

(In thousands of Soles)

|   | Notes | As of January 1st, 2022 to<br>March 31, 2022 | As of January 1st, 2021 to<br>March 31, 2021 |
|---|-------|--|--|
| <b>Operating activities cash flows</b>  |       |  |  |
| <b>Types of cash collections from operating activities</b>  |       |  |  |
| Sale of Goods and Services  |       | 1,477,845                                    | 1,287,222                                    |
| Royalties, fees, commissions and other income from ordinary activities                                |       | -  | -  |
| Contracts held for brokering or trading purposes  |       | -  | -  |
| Lease and subsequent sales of such assets   |       | -  | -  |
| Other Cash Receipts Related to Operating Activity   |       | -  | -  |
| <b>Types of cash collections from operating activities</b>  |       |  |  |
| Suppliers of goods and services   |       | -850,106                                     | -751,393                                     |
| Contracts held for brokering or trading purposes  |       | -  | -  |
| cash payments to and on behalf of employees   |       | -200,013                                     | -146,990                                     |
| Elaboration or acquisition of assets to be leased and other assets held for sale                      |       | -  | -  |
| Other Cash Payments Related to Operating Activity   |       | -111,232                                     | -116,384                                     |
| <b>Cash flows and cash equivalents from (used in) Operating Activities</b>                            |       | <b>316,494</b>                               | <b>272,455</b>                               |
| Interests received (not included in the Investment Activities)  |       | -  | -  |
| Interests paid (not included in the Investment Activities)  |       | -41,860                                      | -52,036                                      |
| Dividends Received (not included in the Investment Activities)  |       | -  | -  |
| Dividends Paid (not included in the Investment Activities)  |       | -  | -  |
| Income tax (paid) reimbursed  |       | -111,254                                     | -32,938                                      |
| Other cash collections (payments)   |       | -  | -  |
| <b>Cash flows and cash equivalents from (used in) Operating Activities</b>                            |       | <b>163,380</b>                               | <b>187,481</b>                               |
| <b>Cash flows from Investment activities</b>  |       |  |  |
| <b>Type of cash collections from investment activities</b>  |       |  |  |
| Reimbursement of loan repayment and loans granted to third parties                                    |       | -  | -  |
| Loss of control of subsidiaries or other businesses   |       | -  | -  |
| Sale of Equity-related Financial Instruments or debt of other entities                                |       | -  | -  |
| Derivatives contracts (Futures, Forwards or Options)  |       | -  | -  |
| Sales of Interest in Joint Ventures, Net of the expropriated cash                                     |       | -  | -  |
| Sale of Property, Plant and Equipment   |       | 71   | 1,384  |
| Sale of intangible assets   |       | -  | -  |
| Sale of other long- term assets   |       | -  | -  |
| Government Subventions  |       | -  | -  |
| Interests received  |       | -  | -  |
| Dividends received  |       | 4  | 8,741  |
| Type of cash payments from investment activities  |       | -  | -  |
| <b>Advances and loans granted to third parties</b>  |       |  |  |
| Controlling interest of subsidiaries and other businesses   |       | -  | -  |
| Purchase of Financial Instruments of equity or debt of other entities                                 |       | -  | -  |
| Derivatives contracts (Futures, Forwards or Options)  |       | -  | -  |
| Purchase of Subsidiaries, Net of cash acquired  |       | -  | -  |
| Purchase of Joint Venture shares, Net of the cash acquired  |       | -  | -  |
| Purchase of Property, Plant and Equipment   | 9(b)  | -48,790                                      | -46,867                                      |
| Purchase of intangible assets   |       | -963   | -841   |
| Purchase of other long- term assets   |       | -  | -  |
| Income tax (paid) reimbursed  |       | -  | -  |
| Other cash receipts (payments) relating to Investment activities                                      |       | -28,710                                      | 3,192  |
| <b>Cash flows and cash equivalents from (used in) Investing activities</b>                            |       | <b>-78,388</b>                               | <b>-34,391</b>                               |
| <b>Cash flows from Financing activities</b>   |       |  |  |
| <b>Type of cash collections from financing activities</b>   |       |  |  |
| Loan securing   |       | 268,952                                      | 1,318,438                                    |
| Changes to the subsidiaries ownership interest not resulting in the loss of control                   |       | -  | -  |
| Share issuance  |       | -  | -  |
| Issuance of other Equity Instruments  |       | -  | -  |
| Government Subventions  |       | -  | -  |
| <b>Type of cash payments from financing activities</b>  |       |  |  |
| Loan Amortization or Repayment  |       | -206,487                                     | -1,360,278                                   |
| Leasing liabilities   |       | -2,439                                       | -814   |
| Changes to the subsidiaries ownership interest not resulting in the loss of control                   |       | -48  | -71  |
| Redemption or repurchase of the entities' shares (Shares in the portfolio)                            |       | -8,301                                       | -  |
| Acquisition of other equity interest  |       | -  | -  |
| Interests paid  |       | -  | -  |
| Dividends paid  |       | -111,837                                     | -22,207                                      |
| Income tax (paid) reimbursed  |       | -  | -  |
| Other cash receipts (payments) relating to financing activities                                       |       | 12   | 3,435  |
| <b>Cash flows and cash equivalents from (used in) financing activities</b>                            |       | <b>-60,148</b>                               | <b>-61,497</b>                               |
| <b>Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates</b> |       | <b>24,844</b>                                | <b>91,593</b>                                |
| Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents                             |       | -17,086                                      | -531   |
| <b>Increase (Decrease) in Net Cash and Cash Equivalents</b>   |       | <b>7,758</b>                                 | <b>91,062</b>                                |
| <b>Cash and cash equivalents at beginning of year</b>   |       | <b>399,755</b>                               | <b>561,120</b>                               |
| <b>Cash and cash equivalents at end of year</b>   | 5     | <b>407,513</b>                               | <b>652,182</b>                               |



**UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES**  
**Statement of change in Stockholder's Equity**  
 For the periods ended March 31, 2022 and 2021  
 (In Thousands of Soles)

Other Equity Reserves

|  | Capital Issued   | Issuance Premiums | Investment shares | Treasury Shares in Portfolio | Other Capital Reserves | Accrued Results  | Cash Flow Hedges | Investment Hedges, net of foreign businesses | Investments in equity instruments accounted at fair value | Exchange difference on translation of Foreign Operations | Non-current assets or groups of assets held for sale | Participation in other comprehensive income of related companies and joint ventures accounted for using the equity method | Revaluation Surplus | Actuarial Profit (Loss) on defined benefit pension plans | Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability | Subtotal        | Shareholders' equity attribute to the owners of the Parent | Non-controlling Interest | Total Stockholders' Equity |
|--|------------------|-------------------|-------------------|------------------------------|------------------------|------------------|------------------|--|---|--|--|---|---------------------|--|--|-----------------|--|--------------------------|----------------------------|
| <b>Balance as of January 1, 2021</b>   | <b>1,818,128</b> | <b>-38,019</b>    | <b>-</b>          | <b>-</b>                     | <b>363,626</b>         | <b>2,253,019</b> | <b>-35,871</b>   | <b>-</b>                                     | <b>-</b>  | <b>287,923</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>252,052</b>  | <b>4,648,806</b>   | <b>203,484</b>           | <b>4,852,290</b>           |
| 1. Changes in Accounting Policies  | -                | -                 | -                 | -                            | -                      | -                | -                | -  | -   | -  | -  | -   | -                   | -  | -  | -               | -  | -                        | -                          |
| 2. Correction of Errors  | -                | -                 | -                 | -                            | -                      | -                | -                | -  | -   | -  | -  | -   | -                   | -  | -  | -               | -  | -                        | -                          |
| <b>3. Restated Initial Balance</b>   | <b>1,818,128</b> | <b>-38,019</b>    | <b>-</b>          | <b>-</b>                     | <b>363,626</b>         | <b>2,253,019</b> | <b>-35,871</b>   | <b>-</b>                                     | <b>-</b>  | <b>287,923</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>252,052</b>  | <b>4,648,806</b>   | <b>203,484</b>           | <b>4,852,290</b>           |
| <b>4. Changes in Stockholders' Equity:</b>   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 5. Comprehensive Income:   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 6. Gain (Loss) for the year  |                  |                   |                   |                              |                        | 201,351          |                  |  |   |  |  |   |                     |  |  |                 | 201,351  | 12,281                   | 213,632                    |
| 7. Other Comprehensive Income:   |                  |                   |                   |                              |                        |                  | 3,409            |  |   | 56,183   |  |   |                     |  |  | 59,592          | 59,592   | 1,192                    | 60,784                     |
| <b>8. Comprehensive Income - Total year</b>  |                  |                   |                   |                              |                        | <b>201,351</b>   | <b>3,409</b>     |  |   | <b>56,183</b>  |  |   |                     |  |  | <b>59,592</b>   | <b>260,943</b>   | <b>13,473</b>            | <b>274,416</b>             |
| 9. Cash Dividends Declared   |                  |                   |                   |                              |                        | -23,636          |                  |  |   |  |  |   |                     |  |  |                 | -23,636  | -173                     | -23,809                    |
| 10. Equity Issuance (reduction)  |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 11. Reduction or amortization of Investment shares   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 12. Increase (decrease) in Other Contributions by Owners   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 13. Decrease (Increase) for Other Distributions to Owners  |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 14. Increase (Decrease) due to changes in the subsidiaries ownership interest not resulting in the loss of control |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  | -71                      | -71                        |
| 15. Increase (decrease) for transactions with Treasury Shares in Portfolio   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 16. Increase (Decrease) for Transfer and other Equity Changes  |                  |                   |                   |                              |                        | -2,108           |                  |  |   |  |  |   |                     |  |  |                 | -2,108   | 232                      | -1,876                     |
| <b>Total Equity Increase (decrease)</b>  |                  |                   |                   |                              |                        | <b>175,607</b>   | <b>3,409</b>     |  |   | <b>56,183</b>  |  |   |                     |  |  | <b>59,592</b>   | <b>235,199</b>   | <b>13,461</b>            | <b>248,660</b>             |
| <b>Balance as of March 31, 2021</b>  | <b>1,818,128</b> | <b>-38,019</b>    | <b>-</b>          | <b>-</b>                     | <b>363,626</b>         | <b>2,428,626</b> | <b>-32,462</b>   | <b>-</b>                                     | <b>-</b>  | <b>344,106</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>311,644</b>  | <b>4,884,005</b>   | <b>216,945</b>           | <b>5,100,950</b>           |
| <b>Balance as of January 1, 2022</b>   | <b>1,818,128</b> | <b>-38,019</b>    | <b>-</b>          | <b>-11,610</b>               | <b>363,626</b>         | <b>2,556,053</b> | <b>-23,660</b>   | <b>-</b>                                     | <b>-</b>  | <b>430,200</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>406,540</b>  | <b>5,094,718</b>   | <b>275,589</b>           | <b>5,370,307</b>           |
| 1. Changes in Accounting Policies  | -                | -                 | -                 | -                            | -                      | -                | -                | -  | -   | -  | -  | -   | -                   | -  | -  | -               | -  | -                        | -                          |
| 2. Correction of Errors  | -                | -                 | -                 | -                            | -                      | -                | -                | -  | -   | -  | -  | -   | -                   | -  | -  | -               | -  | -                        | -                          |
| <b>3. Restated Initial Balance</b>   | <b>1,818,128</b> | <b>-38,019</b>    | <b>-</b>          | <b>-11,610</b>               | <b>363,626</b>         | <b>2,556,053</b> | <b>-23,660</b>   | <b>-</b>                                     | <b>-</b>  | <b>430,200</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>406,540</b>  | <b>5,094,718</b>   | <b>275,589</b>           | <b>5,370,307</b>           |
| <b>4. Changes in Stockholders' Equity:</b>   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 5. Comprehensive Income:   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 6. Gain (Loss) for the year  |                  |                   |                   |                              |                        | 174,737          |                  |  |   |  |  |   |                     |  |  |                 | 174,737  | 16,711                   | 191,448                    |
| 7. Other Comprehensive Income:   |                  |                   |                   |                              |                        |                  | 11,221           |  |   | -119,989   |  |   |                     |  |  | -108,768        | -108,768   | -518                     | -109,286                   |
| <b>8. Comprehensive Income - Total year</b>  |                  |                   |                   |                              |                        | <b>174,737</b>   | <b>11,221</b>    |  |   | <b>-119,989</b>  |  |   |                     |  |  | <b>-108,768</b> | <b>65,969</b>  | <b>16,193</b>            | <b>82,162</b>              |
| 9. Cash Dividends Declared   |                  |                   |                   |                              |                        | -36,194          |                  |  |   |  |  |   |                     |  |  |                 | -36,194  | -615                     | -36,809                    |
| 10. Equity Issuance (reduction)  |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 11. Reduction or amortization of Investment shares   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 12. Increase (decrease) in Other Contributions by Owners   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 13. Decrease (Increase) for Other Distributions to Owners  |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  |                          |                            |
| 14. Increase (Decrease) due to changes in the subsidiaries ownership interest not resulting in the loss of control |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 |  | -48                      | -48                        |
| 15. Increase (decrease) for transactions with Treasury Shares in Portfolio   |                  |                   |                   |                              |                        |                  |                  |  |   |  |  |   |                     |  |  |                 | -8,301   |                          | -8,301                     |
| 16. Increase (Decrease) for Transfer and other Equity Changes  |                  |                   |                   |                              |                        | -4,000           |                  |  |   |  |  |   |                     |  |  |                 | -4,000   | -3,225                   | -7,225                     |
| <b>Total Equity Increase (decrease)</b>  |                  |                   |                   | <b>-8,301</b>                |                        | <b>134,543</b>   | <b>11,221</b>    |  |   | <b>-119,989</b>  |  |   |                     |  |  | <b>-108,768</b> | <b>17,474</b>  | <b>12,305</b>            | <b>29,779</b>              |
| <b>Saldo al 31 de Marzo de 2022</b>  | <b>1,818,128</b> | <b>-38,019</b>    | <b>-</b>          | <b>-19,911</b>               | <b>363,626</b>         | <b>2,690,596</b> | <b>-12,439</b>   | <b>-</b>                                     | <b>-</b>  | <b>310,211</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>297,772</b>  | <b>5,112,192</b>   | <b>287,894</b>           | <b>5,400,086</b>           |

## **1. Corporate Background**

### **A. Background and Economic Activity**

Unión Andina de Cementos S.A.A. (hereinafter "the Company" or "UNACEM Corp") was incorporated in December 1967.

As of March 31, 2022 and December 31, 2021, the Company is a subsidiary of Inversiones JRPR S.A. (hereinafter the Parent Company, it is the ultimate controlling party of the group). It holds 42.22 percent of the direct and indirect shares of its share capital. The Parent Company has power to govern the financial and operating policies of the Company.

The registered office of the Company is located at Av. Atocongo 2440, Villa María del Triunfo, Lima, Peru.

The Company and its Subsidiaries (hereinafter the Group) are mainly engaged in the production and sale of all types of cement, clinker and concrete in Peru, United States, Ecuador and Chile, as well as the sale of energy and power in Peru.

The consolidated financial statements of the Company and subsidiaries (hereinafter "The Group") for the first quarter of 2022 have been issued and approved by Management. The consolidated financial statements of 2021 were approved at the Board Meeting held on March 22, 2022.

#### ***Reorganization and change in name and corporate purpose***

The General Shareholders' Meeting, held on December 14, 2021, approved the reorganization of the Company, effective on January 1, 2022.

The reorganization plan aimed to set aside three equity blocks contributed by the Company to three wholly-owned subsidiaries: UNACEM Peru S.A., Minera Adelaida S.A. and Inversiones Nacionales y Multinacionales Andinas S.A., without changes in the Company's share capital or in the control of UNACEM.

UNACEM Perú S.A. is a the newly incorporated entity that since January 1, 2022 is engaged in the production and sale cement in Peru and export of clinker. Consequently, all assets and liabilities related to this economic activity were transferred to such entity. Mining concessions not related to the main economic activity of UNACEM Perú S.A. were transferred to Minera Adelaida S.A. The real state properties not related to the main economic activity of UNACEM Perú S.A. were transferred to Inversiones Nacionales y Multinacionales Andinas S.A.

Therefore, the Company will develop strategic guidelines for the generation of long-term value for shareholders and will facilitate the alignment of its operating business units, focusing on the development of human talent, the performance of operations and sustainable finances. as well as in the transformation process of the Group, capitalizing on the knowledge gathered in its more than 100 years as the cement market leader in the country.

Likewise, at the aforementioned shareholders' meeting, the change of name and corporate purpose of the Company was approved, being the new name UNACEM Corp S.A.A. As of March 31, 2022, these changes are in the process of being registered with the National Superintendence of Public Registries (SUNARP).

The Simple Reorganization has no effect on the consolidated financial statements, since it is a distribution of assets and liabilities between UNACEM Corp and its subsidiaries.

**B. Acquisitions 2021**

**B.1 UNACEM Chile S.A. (previously Cementos la Unión S.A.)**

On December 11, 2020, the Company entered into a share purchase agreement with Cementos la Unión S.A., Áridos Jativa S.L. and Inversiones Mel 20 Ltda. (the Sellers) to purchase all the shares of Cementos la Unión S.A. and all the ownership interests of Inversiones Mel 20 Ltda. (note 1.B.2) under the fulfillment of certain conditions, including the approval of the acquisition by the National Economic Prosecutor of Chile (FNE, for its Spanish acronym). Through Resolution F-257-2020, dated February 23, 2021, the FNE approved the acquisition. On March 19, 2021, the Company obtained control of Cementos la Unión S.A.

On June 25, 2021, Cementos la Unión S.A. changed its corporate name to UNACEM Chile S.A.

Consequently, the Group acquired all the direct and indirect shares of UNACEM Chile S.A., an entity based in Chile that is engaged in the manufacturing and sale of cement.

UNACEM Chile S.A. owns the San Juan plant located in the port of San Antonio, Valparaíso, that has a cement production capacity (grinding and dispatch) of 300,000 t/yr.

The acquisition amounted to US\$ 23,131,000 (equivalent to S/ 83,688,000). It comprises the purchase price for US\$ 3,000 (equivalent to S/ 10,000) and a loan from UNACEM Chile S.A. for US\$ 23,128,000 (equivalent to approximately S/ 83,678,000), which was guaranteed by the Company.

On December 29, 2021, the Company capitalized an account receivable from UNACEM Chile S.A. for US\$ 23,128,000 (equivalent to S/ 91,992,000 at the capitalization) and made a capital contribution for US\$ 7,672,000, increasing the share capital of UNACEM Chile by S/ 122,367,000. With said contribution, UNACEM Chile S.A. used this contribution to enter into a sale and purchase agreement with Cementos Bío Bío S.A. and its subsidiaries Bio Bio Cementos S.A. and Minera Rio Teno S.A. (unrelated parties) to purchase all the assets of the San Antonio cement grinding plant located in the District of San Antonio, Valparaíso, that has a cement production capacity (grinding and dispatch) of 300,000 t/yr, and the exploitation rights, mining concessions or properties over the pozzolan deposit called "Popeta 1 to 30" with an area of 300 hectares.

**B.2 Inversiones Mel 20 Ltda. (MEL20)**

Under the agreement, dated March 19, 2021 (note 1.B.1), UNICON Chile S.A. entered into an assignment agreement with the Sellers. Consequently, UNICON Chile S.A. obtained control of Inversiones Mel 20 Ltda. on that date. The acquisition amounted US\$ 1,000. It was fully paid by UNICON Chile S.A.

Therefore, the Group acquired all the direct and indirect shares of Inversiones Mel 20 Ltda., an entity based in Chile that is engaged in the transformation of cement-based materials, manufacturing, purchase, sale of ready-mix concrete, and rendering of construction activities.

Inversiones Mel 20 Ltda. owns two ready-mix concrete plants located in Santiago, Chile, that have a production capacity of 336,000 m<sup>3</sup>/yr., and a fleet of concrete mixer trucks.

The Group acquired UNACEM Chile S.A. and Inversiones Mel 20 Ltda. as part of its strategy to consolidate and diversify its business activities (cement, concrete and precast concrete). Likewise, it seeks to create synergies, optimize costs and share engineering experience between countries.

From the acquisition date to December 31, 2021, the acquirees contributed revenue for S/ 86,864,000 and a net loss for S/ 9,976,000 to the Group's profit or loss. According to management, if the acquisition had occurred on January 1, 2021, revenue would have amounted to S/ 5,188,057,000 and net profit or loss would have amounted to S/ 563,159,000. In determining these amounts, management assumed that the adjustments to fair value on the acquisition date would have been the same if the acquisition had occurred on January 1, 2021.



**Unión Andina de Cementos S.A.A. & Subsidiaries**  
Notes to the UNAUDITED Consolidated Financial Statements  
As of March 31, 2022 and December 31, 2021

**2. Information on the structure of the Subsidiaries**

As of March 31, 2022 and December 31, 2021, the Company's consolidated statements include the following subsidiaries (figures according to IFRS and before eliminations for consolidation purposes):

| In thousands of sales | Country of Constitution(vii) | Entity  | Economic Activity Main                     | 2022       |              | 2021       |              | Asset     |           | Liabilities |         | Net Equity |           | Profit (loss) (vi) |         |
|-----------------------|------------------------------|---|--|------------|--------------|------------|--------------|-----------|-----------|-------------|---------|------------|-----------|--------------------|---------|
|                       |                              |   |  | Direct (%) | Indirect (%) | Direct (%) | Indirect (%) | 2022      | 2021      | 2022        | 2021    | 2022       | 2021      | 2022               | 2021    |
| Perú                  | Perú                         | UNACEM Perú S.A.-UNACEM Perú (see note 1.A)                 | Production and sale of cement              | 99.99      | 0.01         | 99.99      | 0.01         | 4,574,023 | 10        | 2,265,828   | -       | 2,308,195  | 10        | 140,860            | -       |
| Perú/Ecuador          | Perú                         | Inversiones Imbabura S.A. and Subsidiaries (i)              | Production and sale of cement              | 100.00     | -            | 100.00     | -            | 2,083,222 | 2,176,107 | 511,978     | 487,172 | 1,571,244  | 1,688,935 | 16,195             | 24,958  |
| Estados Unidos        | Perú                         | Skanon Investments Inc. and Subsidiaries (ii)               | Production and sale of cement and concrete | 95.80      | -            | 95.80      | -            | 1,864,719 | 1,878,389 | 809,735     | 754,667 | 1,054,984  | 1,123,722 | 7,843              | 2,244   |
| Perú                  | Perú                         | Compañía Eléctrica el Platanal S.A. and Subsidiaries (iii)  | Sale of energy and power                   | 90.00      | -            | 90.00      | -            | 1,199,536 | 1,206,068 | 376,835     | 419,554 | 822,701    | 786,514   | 36,841             | 11,190  |
| Perú/Chile            | Chile                        | Inversiones en Concreto y Afines S.A. and Subsidiaries (iv) | Sale of concrete and premixed              | 93.38      | -            | 93.38      | -            | 914,503   | 930,363   | 508,676     | 520,459 | 405,827    | 409,904   | (2,595)            | 7,359   |
| Chile                 | Perú                         | Unacem Chile S.A. and Subsidiaries (1.B)                    | Production and sale of cement and concrete | 99.89      | 0.11         | 99.89      | 0.11         | 269,502   | 256,578   | 143,175     | 133,171 | 126,327    | 123,407   | 2,904              | -       |
| Perú                  | Chile                        | Inversiones Nacionales y Multinacionales S.A. – INMA (vii)  | Real estate business                       | 99.77      | 0.23         | 90.90      | 9.10         | 113,270   | 18,268    | 19,551      | 4,936   | 93,719     | 13,332    | (293)              | (9)     |
| Chile                 | Perú/Colombia                | Prefabricados Andinos S.A.-PREANSA Chile                    | Precast concrete                           | 50.00      | -            | 50.00      | -            | 87,625    | 98,197    | 75,192      | 84,864  | 12,433     | 13,333    | (1,110)            | (497)   |
| Perú/Colombia         | Perú                         | Prefabricados Andinos Perú S.A.C. and Subsidiaries (v)      | Production and sale of precast concrete    | 50.00      | -            | 50.00      | -            | 68,209    | 65,487    | 56,526      | 53,397  | 11,683     | 12,090    | (73)               | (1,403) |
| Perú                  | Perú                         | ARPL Tecnología Industrial S.A.-ARPL (viii)                 | Technical support services                 | 100.00     | -            | 100.00     | -            | 53,171    | 54,260    | 6,258       | 7,611   | 46,913     | 46,649    | 704                | 417     |
| Perú                  | Perú                         | Generación Eléctrica de Atocongo S.A. - GEA                 | Power plant operation services             | 99.85      | 0.15         | 99.85      | 0.15         | 32,355    | 36,762    | 31,422      | 35,933  | 933        | 829       | 104                | (313)   |
| Perú                  | Perú                         | Minera Adelaida S.A.- MINERA                                | Holding                                    | 99.99      | -            | 99.99      | -            | 27,570    | 359       | 9           | 3       | 27,561     | 356       | (20)               | (2)     |
| Perú                  | Perú                         | Vigilancia Andina S.A. – VASA (vii)                         | Surveillance services                      | 55.50      | 44.50        | 55.50      | 44.50        | 13,513    | 13,055    | 6,175       | 5,944   | 7,338      | 7,111     | 423                | 499     |
| Perú                  | Perú                         | Depósito Aduanero Conchán S.A. – DECOSA                     | Warehousing services                       | 99.99      | -            | 99.99      | -            | 1,965     | 1,963     | 1,089       | 1,040   | 876        | 923       | (47)               | (15)    |
| Perú                  | Perú                         | Transportes Lurín S.A. – TRANSLUR                           | Services                                   | 99.99      | -            | 99.99      | -            | 1,034     | 1,032     | 5           | -       | 1,029      | 1,032     | (3)                | (3)     |
| Perú                  | Perú                         | Naviera Conchán S.A.- NAVIERA                               | Holding                                    | 100.00     | -            | 100.00     | -            | 13        | 12        | 5           | -       | 8          | 12        | (6)                | (3)     |
| Estados Unidos        | Estados Unidos               | Staten Island Company, Inc. and Subsidiaries (ii)           | Sale of aggregates                         | -          | -            | -          | -            | -         | -         | -           | -       | -          | -         | -                  | 5,721   |

## **Unión Andina de Cementos S.A.A. & Subsidiaries**

Notes to the UNAUDITED Consolidated Financial Statements

As of March 31, 2022 and December 31, 2021

- (i) The subsidiaries of Inversiones Imbabura S.A. (IMBABURA) are: UNACEM Ecuador S.A. (UNICON Ecuador) and Canteras y Voladuras S.A..(CANTYVOL) and UNICON Ucue Cia. Ltda. (UNICON Ecuador).

At the General Shareholders' Meeting, held on May 10, 2021, Unión de Concreteras S.A. approved the sale of all its shares in Unión de Concreteras UNICON Ucue Cia. Ltda. to Inversiones Imbabura S.A. for S/ 51,114,000 (equivalent to US\$ 13,000,000). On June 29, 2021, the transfer of shares was registered at the Companies Registry of Ecuador. The General Shareholders' Meeting, held on July 9, 2021, approved the merger of UNACEM Ecuador S.A. (acquirer) and Unión de Concreteras UNICON Ucue Cia. Ltda. (Acquiree). On August 12, 2021, the public deed of statutory merger was presented to the Superintendency of Companies of Ecuador for its review and approval. At the reporting date, the deed is pending approval.

- (ii) The subsidiaries of Skanon Investments Inc. are: Drake Cement L.L.C., Sunshine Concrete & Materials Inc., Maricopa Ready Mix L.L.C., Ready Mix Inc., Desert Ready Mix L.L.C. and Staten Island Company Inc., which controls the subsidiaries: Staten Island Holding L.L.C., Staten Island Terminal L.L.C., and Desert Aggregates L.L.C.

On May 17, 2021, the Company contributed its shares in Staten Island Co. L.L.C. and its subsidiaries to Skanon Investments Inc. for S/ 52,637,000 (equivalent to US\$ 16,031,000). Consequently, Skanon Investments Inc. controls the Skanon subsidiary. On June 28, 2021, the Company purchased the shares of Skanon Investments Inc. (equivalent to 8.68% of the share capital of Skanon Investments Inc.) from its subsidiaries Inversiones en Concreto y Afines S.A. for S/ 66,868,000, Transportes Lurín S.A. for S/ 34,120,000 and ARPL Tecnología Industrial S.A. for S/ 23,230,000 (equivalent to US\$ 24,000,000, US\$ 11,944,000 and US\$ 6,869,000, respectively). Therefore, the Company holds 95.80% of the shares of Skanon Investments Inc.

- (iii) The subsidiaries of Compañía Eléctrica El Platanal S.A. are Ambiental Andina S.A.C., Celepsa Renovables S.R.L. and Ecorer S.A.C.
- (iv) The subsidiary of Inversiones en Concreto y Afines S.A. is Unión de Concreteras S.A., which controls the subsidiaries: Concremax S.A., UNICON Chile S.A. and Entrepisos Lima S.A.C.
- (v) The subsidiary of Prefabricados Andinos Perú S.A.C. is Prefabricados Andinos Colombia S.A.S.
- (vi) Balances as of March 31, 2022 compared to balances as of March 31, 2021.
- (vii) The subsidiaries and other affiliated companies have as their main domicile where they carry out their activities, the country where they are incorporated.

### **3. Summary of significant accounting policies**

#### **A. Basis of preparation and presentation**

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), effective as of March 31, 2022 and December 31, 2021.

The consolidated financial statements have been prepared on a historical cost basis, excluding hedging instruments, retirement and termination benefits and dividends receivable that are measured at fair value. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The interim consolidated financial statements provide comparative information for earlier periods, however, does not include all information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated audited report as of and for the year ended on December 31, 2021.

The Group prepared the consolidated financial statements on a going concern basis. In making its assessment,

management considers events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Group's Management has considered all future available information obtained after the reporting date up to the date of approval and issuance of the consolidated financial statements.

**B. Basis of consolidation**

The interim consolidated financial statements include the financial statements of the Company and its subsidiaries as of March 31, 2022 and December 31, 2021.

The control criteria that the Group takes into account are described in the notes to the annual consolidated financial statements as of December 31, 2021.

**C. Significant accounting policies**

The accounting policies adopted in the preparation of these interim consolidated financial statements are consistent with the policies considered in the preparation of the audited consolidated financial statements as of December 31, 2021.

**4. Standards issued but not yet effective**

The Group has not yet early adopted any standards, interpretations or amendments issued, which is not yet effective.

**5. Cash and cash equivalents**

This item is made up as follows:

| <i>In thousands of soles</i>      | <b>As of March 31,<br/>2022</b> | <b>As of December<br/>31, 2021</b> |
|-----------------------------------|---------------------------------|------------------------------------|
| Checking and savings accounts (a) | 351,055                         | 245,201                            |
| Term deposits (b)                 | 55,048                          | 153,159                            |
| Petty cash fund                   | 1,410                           | 1,395                              |
|                                   | <b>407,513</b>                  | <b>399,755</b>                     |

- (a) Current accounts are denominated in local and foreign currency, deposited in local and foreign banks with a high credit rating and are freely available. These deposits earn interest at market rates.
- (b) Correspond to term deposits held in local and foreign financial entities, mainly in local and foreign currency, which accrue interest at market rates and have original maturities of less than three months.

## 6. Trade and other Accounts Receivable, Net

This item is made up as follows:

| <i>In thousands of soles</i>             | Note   | Current              |                         | Non-current          |                         |
|--|--------|----------------------|-------------------------|----------------------|-------------------------|
|  |        | As of March 31, 2022 | As of December 31, 2021 | As of March 31, 2022 | As of December 31, 2021 |
| <b>Trades:</b>                           |        |                      |                         |                      |                         |
| Receivable invoices and letters (a)      |        | 520,071              | 513,329                 | 18,805               | 18,574                  |
| Provision of bills receivable            |        | 43,177               | 36,095                  | -                    | -                       |
|  |        | <b>563,248</b>       | <b>549,424</b>          | <b>18,805</b>        | <b>18,574</b>           |
| <b>Related parties</b>                   |        |                      |                         |                      |                         |
| Accounts receivable from related parties | 21(b)  | 36,929               | 31,500                  | -                    | -                       |
| <b>Various</b>                           |        |                      |                         |                      |                         |
| Advances to suppliers                    |        | 30,311               | 23,039                  | 1,941                | 2,292                   |
| Claims to Tax Administration (b)         |        | 7,306                | 8,155                   | 73,353               | 73,632                  |
| Staff loans                              |        | 7,646                | 7,680                   | 8,176                | 8,176                   |
| Claims to third parties                  |        | 7,325                | 7,437                   | -                    | -                       |
| Derivative financial instruments         | 24.A.i | -                    | -                       | 1,803                | 1,422                   |
| Other accounts receivable                |        | 13,270               | 18,508                  | 2,592                | 2,919                   |
|  |        | <b>65,858</b>        | <b>64,819</b>           | <b>87,865</b>        | <b>88,441</b>           |
| <b>Taxes</b>                             |        |                      |                         |                      |                         |
| Payments on account of tax on Profits    |        | 15,604               | 14,109                  | -                    | -                       |
| Tax credit for general tax on sales      |        | 41,243               | 28,068                  | 887                  | 819                     |
|  |        | <b>56,847</b>        | <b>42,177</b>           | <b>887</b>           | <b>819</b>              |
|  |        | <b>722,882</b>       | <b>687,920</b>          | <b>107,557</b>       | <b>107,834</b>          |
| Less – Expected credit loss (c)          |        | (25,865)             | (26,273)                | (18,805)             | (18,574)                |
|  |        | <b>697,017</b>       | <b>661,647</b>          | <b>88,752</b>        | <b>89,260</b>           |

- (a) Trade receivables are mainly denominated in local and foreign currency, have current maturities and do not earn interest. The bills receivable have a current maturity and accrue interest calculated at prevailing market rates.
- (b) As of March 31, 2022 and December 31, 2021, the balance corresponds to claims submitted to the Tax Administration mainly related to mining royalties, fines for payments on account, claims for payment of interest, among others, see note 23.D .
- In the Group's Management opinion and its legal advisors, it is estimated that there are sufficient legal arguments to obtain the favorable recovery of the claims classified in the short and long term.
- (c) In the Group's Management opinion , the estimate of expected credit loss adequately covers the risk of uncollectibility as of March 31, 2022 and December 31, 2021.
- (d) As of March 31, 2022 and December 31, 2021, the Group evaluated the exposure to credit risk in trade accounts receivable, see note 24.B.

## 7. Inventories, Net

This caption comprises the following:

| <i>In thousands of soles</i>             | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|--|---------------------------------|------------------------------------|
| Replacement parts and supplies           | 275,748                         | 291,295                            |
| Work-in-progress                         | 186,852                         | 202,151                            |
| Raw materials and auxiliary materials    | 245,477                         | 176,413                            |
| Finished goods                           | 42,141                          | 38,958                             |
| Packaging                                | 34,458                          | 25,557                             |
| Goods in transit                         | 40,606                          | 3,583                              |
|  | <b>825,282</b>                  | <b>737,957</b>                     |
| Provision for inventory obsolescence (a) | (65,577)                        | (62,401)                           |
|  | <b>759,705</b>                  | <b>675,556</b>                     |

- (a) In the Group's Management opinion, the estimate for inventory impairment reasonably covers the risk of impairment as of March 31, 2022 and December 31, 2021.

## 8. Right-of-use Assets and Lease Liabilities, Net

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

| <i>In thousands of soles</i>    | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|---------------------------------|-------------|---------------------------------|------------------------------------|
| <b>Cost</b>                     |             |                                 |                                    |
| <b>Initial balance</b>          |             | <b>60,737</b>                   | <b>46,732</b>                      |
| Additions                       |             | 643                             | 10,484                             |
| Acquisition of subsidiaries     | 1 B.        | -                               | 10,854                             |
| Withdrawals and others          |             | (4,561)                         | (6,928)                            |
| Effects of translation          |             | (1,089)                         | (405)                              |
| <b>Final Balance</b>            |             | <b>55,730</b>                   | <b>60,737</b>                      |
| <b>Accumulated depreciation</b> |             |                                 |                                    |
| <b>Initial balance</b>          |             | <b>36,480</b>                   | <b>24,173</b>                      |
| Depreciation of the period (c)  |             | 2,251                           | 11,773                             |
| Acquisition of subsidiaries     | 1 B.        | -                               | 5,000                              |
| Withdrawals and others          |             | (3,853)                         | (4,224)                            |
| Effects of translation          |             | (668)                           | (242)                              |
| <b>Final balance</b>            |             | <b>34,210</b>                   | <b>36,480</b>                      |
| <b>Net carrying amount</b>      |             | <b>21,520</b>                   | <b>24,257</b>                      |

- (b) The movement of lease liabilities for the following periods is detailed below:

| <i>In thousands of soles</i>                | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|---|-------------|---------------------------------|------------------------------------|
| <b>Initial balance</b>                      |             | <b>24,840</b>                   | <b>22,978</b>                      |
| Additions                                   |             | 637                             | 10,805                             |
| Acquisition of subsidiaries                 | 1.B         | -                               | 6,005                              |
| Lease payments                              |             | (2,439)                         | (15,876)                           |
| Others                                      |             | 253                             | 687                                |
| Difference in exchange rate                 |             | (703)                           | 241                                |
| <b>Final balance</b>                        |             | <b>22,588</b>                   | <b>24,840</b>                      |
| <b>Classification according to maturity</b> |             |                                 |                                    |
| Current                                     |             | 8,826                           | 8,345                              |
| Non current                                 |             | 13,762                          | 16,495                             |

| <i>In thousands of soles</i> | Note | As of March 31,<br>2022 | As of December 31,<br>2021 |
|------------------------------|------|-------------------------|----------------------------|
|                              |      | 22,588                  | 24,840                     |

- (c) The depreciation charge for the year has been recorded in the following items of the consolidated statement of income:

| <i>In thousands of soles</i> | Note | As of March 31,<br>2022 | As of March 31,<br>2021 |
|------------------------------|------|-------------------------|-------------------------|
| Sales cost                   | 17   | 2,077                   | 2,781                   |
| Administration expenses      | 18   | 160                     | 136                     |
| Selling expenses             |      | 14                      | 3                       |
|                              |      | 2,251                   | 2,920                   |

- (d) As of March 31, 2022 and December 31, 2021, the Group only has fixed-payment lease contracts.

## 9. Mining Concessions and Property, Plant and Equipment, Net

This caption comprises the following:

| <i>In thousands of soles</i>    | Note | As of March 31,<br>2022 | As of December 31,<br>2021 |
|---------------------------------|------|-------------------------|----------------------------|
| <b>Cost</b>                     |      |                         |                            |
| <b>Initial balance</b>          |      | <b>12,000,990</b>       | <b>11,208,243</b>          |
| Additions                       |      | 60,004                  | 433,965                    |
| Acquisition of subsidiaries     | 1 B. | -                       | 151,773                    |
| Withdrawals, sales and others   |      | (3,672)                 | (59,273)                   |
| Effects of translation          |      | (235,643)               | 266,282                    |
| <b>Final Balance</b>            |      | <b>11,821,679</b>       | <b>12,000,990</b>          |
| <b>Accumulated depreciation</b> |      |                         |                            |
| <b>Initial balance</b>          |      | <b>4,509,361</b>        | <b>3,947,849</b>           |
| Depreciation of the period (e)  |      | 112,480                 | 453,128                    |
| Acquisition of subsidiaries     | 1 B. | -                       | 57,214                     |
| Withdrawals and others          |      | (290)                   | (44,686)                   |
| Effects of translation          |      | (88,018)                | 95,856                     |
| <b>Final balance</b>            |      | <b>4,533,533</b>        | <b>4,509,361</b>           |
| <b>Net carrying amount</b>      |      | <b>7,288,146</b>        | <b>7,491,629</b>           |

- (a) As of March 31, 2022, the book value of the assets acquired through lease and finance leaseback contracts amounts to approximately S/ 97,625,000 (S/ 102,397,000 as of December 31, 2021). Leased assets guarantee finance lease liabilities, see note 12.A(b).

- (b) The additions during the year 2022 correspond mainly to:

- i. Additions of UNACEM Peru subsidiary for projects of new packaging No. 6 and palletizers, dedusting of the cooler system, made to kiln 2 and 3; major maintenance to Pfister scale, corresponding to Condorcocha plant. Likewise, disbursements made for the projects of new bagging machine 8 and palletizers, change of top and change of crossbar in the primary crusher, structural reinforcement and modification of chamber 2 of the multisilo, total change of sleeves in collector and complete change of elevator system, made to kiln 1; structural improvements related to safety certification, corresponding to Atocongo plant for a total of approximately S/12,799,000.

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- ii. Additions of Drake Cement subsidiary for a comprehensive mill project and improvements to the crude mill for approximately US\$ 1,936,000 (equivalent to S/ 7,155,000).
- iii. Additions of Sunshine Concrete & Materials Inc subsidiary for the acquisition of equipment for the production of aggregates for approximately US\$ 1,420,000 (equivalent to S/ 5,247,000).
- iv. Additions to works in progress of UNACEM Ecuador subsidiary for projects of the Mill spare reducer of Cement 2 , increased production capacity of Kiln 1 and Biomass conditioning to increase Fuel for approximately US\$822,000 (equivalent to S/ 3,039,000).
- v. Additions of UNICON Peru subsidiary for acquisitions of mixer trucks for S/ 1,687,000 and overhaul of trucks for approximately S/ 1,723,000.
- vi. Additions of Concremax subsidiary for overhaul of trucks and machinery and equipment for approximately S/ 742,000.

Additions during 2021 corresponded mainly to:

- i. Projects for the cooler dedusting system, migration of the control system and modernization of the Cenit and Pillard system, carried out on kiln 2; In addition, the modernization of the substations in the hydroelectric power plant of Carpapata 1 and 2, and fittings in kiln 1, corresponding to the Condorcocha plant. Likewise, disbursements made for the projects to change the shell of the cement mill, structural reinforcement and modification of chamber No. 1 of the multisilo, improvement in the electronic variator system of rotary kiln 1, corresponding to the Atocongo plant for a total of approximately S/ 74,415,000.
  - ii. Additions of Drake Cement subsidiary for construction projects of a new warehouse, comprehensive mill project and improvements to the crude mill for approximately US\$ 7,407,000 (equivalent to S/ 29,444,000).
  - iii. Additions of Desert Ready Mix subsidiary for: i) acquisition of machinery and equipment for approximately US\$ 1,438,000 (equivalent to S/ 5,718,000) and ii) acquisition of mixer trucks and other transport units for approximately US\$ 8,274,000 (equivalent to S/ 32,889,000).
  - iv. Additions of Desert Aggregates subsidiary for the acquisition of machinery, equipment and truck loaders for approximately US\$ 598,000 (equivalent to S/ 2,375,000).
  - v. Additions of works in progress of UNACEM Ecuador subsidiary for Biomass conditioning project to increase Fuel for approximately US\$ 797,000 (equivalent to S/ 3,169,000).
  - vi. Additions of UNICON Peru subsidiary for i) acquisitions of front-end loaders for approximately S/ 5,714,000, ii) acquisitions of mixer trucks for S/ 4,996,000, iii) work in progress for truck repairs for approximately S/ 6,711,000 and iv) work in progress for repairs and enabling of mixing plants for approximately S/ 2,751,000.
  - vii. Additions of Concremax subsidiary i) plant construction project for the new dry mixture of bagged for approximately S/ 8,849,000 and ii) overhaul of trucks and machinery and equipment for approximately S/ 5,222,000.
  - viii. Additions of CELEPSA subsidiary for the acquisition of the Andritz runners for S/ 2,197,000.
- (c) They correspond to the assets from the companies UNACEM Chile S.A. and MEL 20 Limited.
- (d) On 2021, it mainly includes asset write-offs made by: i) UNICON Peru subsidiary for sales of mixer trucks and front-end loaders, whose cost and accumulated depreciation amounted to approximately S/

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14,883,000 and S/ 14,777,000 and ii) the DRM subsidiary for sales of mixer trucks, whose cost and accumulated depreciation amounted to approximately S/ 24,070,000 and S/ 23,168,000.

- (e) Depreciation has been distributed as follows:

| <i>In thousands of soles</i> | <i>Note</i> | <b>As of March 31, 2022</b> | <b>As of March 31, 2021</b> |
|------------------------------|-------------|-----------------------------|-----------------------------|
| Cost of sales                | 17          | 107,771                     | 102,332                     |
| Administration expenses      | 18          | 3,672                       | 3,146                       |
| Selling expenses             |             | 180                         | 33                          |
| Other expenses               |             | 857                         | 2,028                       |
| Inventories                  |             | -                           | 414                         |
|                              |             | <b>112,480</b>              | <b>107,953</b>              |

- (f) In 2021, interest was capitalized for S/ 4,348,000. The amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the outlays on that asset. As of December 31, 2021, the rate used to determine the amount of borrowing costs eligible for capitalization was 4.1%. In 2022 no interest was capitalized.

- (g) Skanon Investments Inc. subsidiary has security agreements on plants, transport units and equipment located in the United States, which guarantee loans, see note 12.A(b).

On the other hand, Unión de Concreteras S.A. subsidiary has a mortgage on the Ancieta and Villa El Salvador plants for up to S/ 100,000,000 issued by Scotiabank Peru S.A.A. to guarantee the loan granted by this bank, see note 12.A(b).

Likewise, UNACEM Chile S.A. subsidiary has a mortgage on the San Juan plant for approximately US\$ 23,000,000 issued by Banco de Crédito e Inversiones (BCI) to guarantee the loan granted by this bank, see note 12.A (b).

- (h) In Management's opinion, the Group has insurance policies that sufficiently cover all of its fixed assets.



## 10. Intangible Assets, Net

This caption comprises the following:

| <i>In thousands of soles</i>    | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|---------------------------------|-------------|---------------------------------|------------------------------------|
| <b>Cost</b>                     |             |                                 |                                    |
| <b>Initial balance</b>          |             | <b>373,566</b>                  | <b>352,303</b>                     |
| Additions                       |             | 1,091                           | 8,310                              |
| Withdrawals and others          |             | (1,148)                         | (2,328)                            |
| Effects of translation          |             | (12,403)                        | 15,281                             |
| <b>Final Balance</b>            |             | <b>361,106</b>                  | <b>373,566</b>                     |
| <b>Accumulated depreciation</b> |             |                                 |                                    |
| <b>Initial balance</b>          |             | <b>147,475</b>                  | <b>132,744</b>                     |
| Amortization of the period (a)  |             | 4,026                           | 14,053                             |
| Withdrawals and others          |             | (1,266)                         | 265                                |
| Effects of translation          |             | (479)                           | 413                                |
| <b>Final balance</b>            |             | <b>149,756</b>                  | <b>147,475</b>                     |
| <b>Net carrying amount</b>      |             | <b>211,350</b>                  | <b>226,091</b>                     |

(a) The amortization of intangibles has been distributed as follows:

| <i>In thousands of soles</i> | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|------------------------------|-------------|---------------------------------|---------------------------------|
| Cost of sales                | 17          | 2,297                           | 2,395                           |
| Administration expenses      | 18          | 1,300                           | 687                             |
| Selling expenses             |             | 406                             | 423                             |
| Other expenses               |             | 23                              | 975                             |
|                              |             | <b>4,026</b>                    | <b>4,480</b>                    |

## 11. Goodwill

As of March 31, 2022 and December 31, 2021, the balance of goodwill is mainly composed of the higher amount paid for the acquisition of UNACEM Ecuador, which amounts to S/1,023,795,000.

## 12. Other Financial Liabilities

This caption comprises the following:

| <i>In thousands of soles</i> | Note | As of March 31, 2022 |                     |                  | As of December 31, 2021 |                     |                  |
|------------------------------|------|----------------------|---------------------|------------------|-------------------------|---------------------|------------------|
|                              |      | Current portion      | Non-current portion | Total            | Current portion         | Non-current portion | Total            |
| Bonds and bank loans         | 12.A | 366,031              | 3,050,065           | 3,416,096        | 360,721                 | 3,227,779           | 3,588,500        |
| Promissory notes (a) & (b)   |      | 367,557              | -                   | 367,557          | 315,546                 | -                   | 315,546          |
| Overdrafts (c)               |      | 109,624              | -                   | 109,624          | 23,988                  | -                   | 23,988           |
|                              |      | <b>843,212</b>       | <b>3,050,065</b>    | <b>3,893,277</b> | <b>700,255</b>          | <b>3,227,779</b>    | <b>3,928,034</b> |

- (a) It corresponds to working capital loans at a fixed interest rate ranging from 2.65% and 4.13% annually. They do not have specific collaterals and are renewed based on the Group's working capital requirements. As of March 31, 2022 and December 31, 2021, the balance by bank is made up as follows:

| <i>In thousands of soles</i> | Original currency | Maturity date                  | As of March 31, 2022 | As of December 31, 2021 |
|------------------------------|-------------------|--------------------------------|----------------------|-------------------------|
| <b>Financial entities</b>    |                   |                                |                      |                         |
| Banco de Crédito del Perú    | S/ & US\$         | Between May 2022 and June 2022 | 307,557              | 315,546                 |
| Scotiabank del Perú          | S/                | May 2021                       | 60,000               | -                       |
|                              |                   |                                | <b>367,557</b>       | <b>315,546</b>          |

- (b) As of March 31, 2022 and December 31, 2021, interest payable on bank promissory notes amounted to approximately S/ 1,559,000 and S/ 389,000, respectively, and are recorded in the caption "Commercial and miscellaneous accounts payable" in the statement consolidated statement of financial position, see note 13. As of March 31, 2022 and 2021, interest expenses amounted to approximately S/ 2,345,000 and S/ 848,000, respectively and are included in the caption "Borrowing cost" of the consolidated statement of income, see note 20.
- (c) As of March 31, 2022, overdrafts correspond mainly to obligations of Skanon and UNACEM Peru with different financial entities in local and foreign currency for a total of S/ 109,170,000. As of December 31, 2021, overdrafts correspond mainly to Skanon's obligations with different financial entities in US dollars for a total of US\$ 6,000,000 (equivalent to S/ 23,988,000).

**A. Bonds and Bank Loans**

This caption comprises long-term bonds and debts with banking entities, which do not have associated guarantees:

| <i>In thousands of soles</i> | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|------------------------------|---------------------------------|------------------------------------|
| Corporate bonds (a)          | 434,539                         | 467,533                            |
| Bank loans (b)               | 2,981,557                       | 3,120,967                          |
| <b>Total</b>                 | <b>3,416,096</b>                | <b>3,588,500</b>                   |
| Less: Current portion        | 366,031                         | 360,721                            |
| Non-current portion          | 3,050,065                       | 3,227,779                          |

(a) As of December 31, 2022 and 2021, corporate bonds are as follows:

| <i>In thousands of soles</i> | <b>Effective annual<br/>interest rate %</b>         | <b>Maturity date</b> | <b>As of March 31, 2022</b> | <b>As of December 31,<br/>2021</b> |
|------------------------------|---|----------------------|-----------------------------|------------------------------------|
| <b>Bonds</b>                 |   |                      |                             |                                    |
| Bonds of Arizona (i)         | Between 1.6 and<br>1.95 + variable<br>interest rate | September 2025       | 425,615                     | 459,770                            |
| Corporate bonds of Peru      | 5.16  | March 2023           | 18,815                      | 18,815                             |
|                              |   |                      | <b>444,430</b>              | <b>478,585</b>                     |
| Amortized cost               |   |                      | (9,891)                     | (11,052)                           |
|                              |   |                      | <b>434,539</b>              | <b>467,533</b>                     |

(i) On November 18, 2010, Drake Cement L.C.C. obtained a loan by issuing of bonds from the Yavapai County Industrial Development Authority, Arizona, United States, to finance part of the investment in the cement plant for up to US\$ 40,000,000. It matures in September 2035 and is subject to a monthly interest payment based on a variable interest rate (Securities Industry and Financial Markets Association Index) plus 1.6% against a maximum interest rate of 12%. The bonds are guaranteed by a letter of credit, see note 23.A(ii).

On July 30, 2015, Drake Cement L.C.C. obtained a new loan by issuing bonds to finance the construction of the cement plant and the acquisition of assets, materials and facilities for up to US\$ 75,000,000. It matures in September 2035 and is subject to a monthly interest payment based on a variable interest rate (Securities Industry and Financial Markets Association Index) plus 1.95% against a maximum interest rate of 12%. The bonds are guaranteed by a letter of credit, see note 23.A(ii).

The bonds have the following conditions:

- Drake Cement L.C.C. Subsidiary cannot increase its debt for more than US\$ 5,000,000 of the outstanding balance at the issuance of bonds, excluding debt refinancing.
- Maintain an interest coverage ratio of more than or equal to 1.0.

In management's opinion, Drake Cement L.C.C. has complied with the restrictive consideration and the covenant required by the Yavapai County as of March 31, 2022 and December 31, 2021.

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(b) The balance of bank loans are as follows:

| <i>In thousands of soles</i>              | <b>Maturity date</b>                    | <b>Original amount</b> | <b>Currency</b> | <b>Use of funds</b>                            | <b>Warranties</b>                     | <b>As of March 31, 2022</b> | <b>As of December 31, 2021</b> |
|---|---|------------------------|-----------------|--|---------------------------------------|-----------------------------|--------------------------------|
| <b>Bank loans</b>                         |   |                        |                 |  |                                       |                             |                                |
|   | October 2024, March 2025 and            |                        |                 |  |                                       |                             |                                |
| Scotiabank del Perú                       | January 2027                            | 671,547                | S/              | Refinancing of financial liabilities           | No collateral                         | 671,547                     | 671,547                        |
| BBVA Perú                                 | January 2027                            | 533,357                | S/              | Refinancing of financial liabilities           | No collateral                         | 533,357                     | 533,357                        |
| Banco de Crédito del Perú                 | October 2026                            | 502,500                | S/              | Redemption – overseas                          | No collateral                         | 502,500                     | 502,500                        |
| Banco Internacional del Perú              | January 2027                            | 228,385                | S/              | Refinancing of financial liabilities           | No collateral                         | 228,385                     | 228,385                        |
| Citibank N.A. (i)                         | October 2025                            | 50,000                 | US\$            | Refinancing of financial liabilities           | No collateral                         | 148,040                     | 199,900                        |
| Santander S.A. (i)                        | November 2023                           | 45,000                 | US\$            | Refinancing of financial liabilities           | No collateral                         | 166,545                     | 179,910                        |
| Santander S.A.                            | March 2023                              | 35,000                 | US\$            | Working capital and investments                | No collateral                         | 129,535                     | 139,930                        |
| Banco de Crédito del Perú (12.A.c. (iii)) | March 2027                              | 34,000                 | US\$            | Refinancing of financial liabilities           | No collateral                         | 125,834                     | 135,932                        |
| Bank of Nova Scotia (i)                   | September 2025                          | 30,000                 | US\$            | Partial redemption – overseas                  | No collateral                         | 77,721                      | 89,955                         |
| Banco de Crédito e Inversiones (Chile)    | June 2024                               | -                      | CLP             | -  | Real estate collateral, see note 9(g) | 79,185                      | 79,192                         |
| Scotiabank del Perú                       | April 2025                              | 72,000                 | S/              | Acquisition loan to purchase UNICON Chile S.A. | Real estate collateral, see note 9(g) | 46,800                      | 50,400                         |
| BBVA Perú                                 | December 2024                           | 28,773                 | S/              | -  | No collateral                         | 26,942                      | 28,773                         |
| Citibank N.A. (New York)                  | July 2024                               | -                      | US\$            | -  | No collateral                         | 23,748                      | 27,487                         |
| Banco Scotiabank (Chile) (i)              | August 2022                             | 4,000                  | US\$            | -  | Letter of credit, see note 23.A) (i)  | 14,819                      | 15,887                         |
| BBVA Banco Continental (i)                | December 2023                           | -                      | COP             | -  | Letter of credit, see note 23.A) (i)  | 11,624                      | 11,857                         |
| Banco Internacional del Perú (ii)         | Between March 2023 and September 2023   | 34,387                 | S/              | Working capital                                | Reactiva Peru program                 | 7,909                       | 17,379                         |
| Less than S/ 10,000,000                   | -                                       | -                      | -               | -  | -                                     | 57,832                      | 65,776                         |
|   |   |                        |                 |  |                                       | <b>2,852,323</b>            | <b>2,978,167</b>               |
| Amortized cost                            |   |                        |                 |  |                                       | (9,730)                     | (10,577)                       |
| <b>Total</b>                              |   |                        |                 |  |                                       | <b>2,842,593</b>            | <b>2,967,590</b>               |
| <b>Sale and leaseback transactions</b>    |   |                        |                 |  |                                       |                             |                                |
| Scotiabank (Chile)                        | March 2024                              | -                      | CLP             | Leased assets                                  | -                                     | 2,077                       | 2,283                          |
|   |   |                        |                 |  |                                       | <b>2,077</b>                | <b>2,283</b>                   |
| <b>Finance leases</b>                     |   |                        |                 |  |                                       |                             |                                |
| Consorcio Transmantaro S.A. (Perú)        | July 2039                               | -                      | US\$            | Leased assets                                  | -                                     | 56,251                      | 60,920                         |
| Scotiabank del Perú                       | Between April 2022 and January 2025     | -                      | -               | Leased assets                                  | -                                     | 22,871                      | 25,549                         |
| Bok Financial Corporation                 | Between December 2025 and December 2026 | -                      | US\$            | Leased assets                                  | -                                     | 21,584                      | 24,445                         |
| Less than S/ 10,000,000                   |   |                        |                 |  |                                       | 34,843                      | 34,061                         |
|   |   |                        |                 |  |                                       | <b>135,549</b>              | <b>144,975</b>                 |
| <b>Debt factoring</b>                     |   |                        |                 |  |                                       |                             |                                |
|   |   |                        |                 |  |                                       | <b>1,338</b>                | <b>6,119</b>                   |
| <b>Total</b>                              |   |                        |                 |  |                                       | <b>2,981,557</b>            | <b>3,120,967</b>               |

- (i) The Group entered into swap contracts to reduce the risk of the variable interest rate related to these loans, see note 24.A.i.
  - (ii) As of March 31, 2022 and December 31, 2021, the Group has a balance of long-term loans for approximately S/ 7,909,000 and S/ 17,379,000 from different local banks under the loan guarantee scheme (Reactiva Peru program), a scheme created through Legislative Decree 1457 to provide loans to entities in response to the COVID-19 crisis. As of March 31, 2022, such loans accrue interest between 0.98% to 1.18% annually, mature between March 2023 and September 2023 and include a grace period of 12 months.
- (c) Management monitors covenants applicable to local financial liabilities on a quarterly, semiannual and annual basis and must be calculated based on i) separate financial information of the Company and its subsidiaries, ii) combined financial information of the Company and the subsidiary UNACEM Peru (as if the simple reorganization had not been carried out) and iii) consolidated financial information; the same ones that must consider the calculation methodologies required by each financial entity.
- (i) As of March 31, 2022, the main covenants calculated based on the separate financial statements are the following:

***UNACEM Perú S.A.***

- Maintain a debt-to-equity ratio of less than or equal to 1.5.
- Maintain a debt-service coverage ratio of more than or equal to 1.2.
- Maintain a net debt-to-EBITDA ratio of less than 3.5.

***UNACEM Ecuador S.A.***

- Maintain a debt-service coverage ratio of more than or equal to 1.2.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 3.75.

***Unión de Concreteras S.A.***

- Maintain a debt-service coverage ratio of more than or equal to 1.2.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 2.5.

***Concremax S.A.***

- Maintain a debt-service coverage ratio of more than or equal to 1.25.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 2.5.

***UNICON Chile S.A.***

- Maintain a debt-service coverage ratio of more than or equal to 1.0.
- Maintain a debt-to-equity ratio of less than or equal to 1.8.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 3.5.

- (ii) As of March 31, 2022, the main financial statements based on the combined financial information of the Company and UNACEM Peru are the following:
  - Maintain a debt-to-equity ratio of less than or equal to 1.5.
  - Maintain a debt-service coverage ratio of more than or equal to 1.2.
  - Maintain a debt or financial debt/EBITDA coverage ratio of less than 4.0 times for the year 2022 and 3.75 times from the year 2023 onwards.

- (iii) As of March 31, 2022, the main covenants calculated based on the consolidated financial statements are the following:

***Unión Andina de Cementos S.A.A. and Subsidiaries***

- Maintain a debt-to-equity ratio of less than or equal to 1.5.
- Maintain a debt-service coverage ratio of more than or equal to 1.20.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 4.0 for the year 2022, and 3.75 for the year 2023 onwards.

***Skanon Investments Inc. and Subsidiaries***

- Maintain a debt-to-equity ratio of less than or equal to 1.

The debt related to the consolidated covenant was paid in full as of March 31, 2022 by UNACEM Peru and was transferred to Skanon.

In management's opinion, the Group has complied with the covenants as of March 31, 2022. As of December 31, 2021, the Company and subsidiaries have complied with the covenants, with the exception of UNICON Chile and PREANSA Peru, whose obligation expires in 2022 and is presented in the short term for the amount of S/ 6,473,000 and S/ 984,000, respectively. These breaches have no effect on the other obligations of the Company and its Subsidiaries.

- (d) As of March 31, 2022 and December 31, 2021, interest payable on medium- and long-term bonds and debt amounted to approximately S/ 18,315,000 and S/ 19,435,000, respectively. It is recognized in 'trade and other accounts receivable' in the consolidated statement of financial position, see note 13.

The interest on bonds and bank loans as of March 31, 2022 and 2021, amounted to approximately S/ 35,677,000 and S/ 44,140,000, respectively. It is recognized in "Borrowing cost" in the consolidated statement of profit or loss, see note 20 .

- (e) As of March 31, 2022, the Group has bank loans in local currency (soles) at effective annual interest rates ranging from 2.26% to 5.68%. Bank loans in foreign currency (U.S. dollars) are at a variable interest rate (3-month LIBOR and 1-month LIBOR plus a margin) ranging from 1.22% to 2.60% and a fixed interest rate ranging from 0.85% to 12%.

As of December 31, 2021, the Group has bank loans in local currency (soles) at effective annual interest rates ranging from 2.52% to 8.06%. Bank loans in foreign currency (U.S. dollars) are at a variable interest rate (3-month LIBOR and 1-month LIBOR plus a margin) ranging from 1.22% to 2.60% and a fixed interest rate ranging from 0.85% to 12%.

### 13. Trade and Other Accounts Payable

This caption comprises the following:

| <i>In thousands of soles</i>                                       | <i>Note</i>        | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|--|--------------------|---------------------------------|------------------------------------|
| Trade accounts payable (a)   |                    | 596,460                         | 556,438                            |
| Compensation and holidays payable                                  |                    | 75,715                          | 56,101                             |
| Customer advances  |                    | 64,640                          | 41,398                             |
| Taxes, social security contributions payable                       |                    | 28,804                          | 25,381                             |
| Accounts payable to related parties                                | 21(b)              | 21,776                          | 19,583                             |
| Accounts payable from acquisition of property, plant and equipment |                    | 20,022                          | 22,746                             |
| Interest payable   | 16(b) &<br>16.A(d) | 19,874                          | 19,824                             |
| Community commitments  |                    | 15,761                          | 16,855                             |
| Sales tax payable  |                    | 14,169                          | 11,977                             |
| Payment of dividends   | 15(f)              | 12,819                          | 87,846                             |
| Loans payable to third parties                                     |                    | 8,731                           | 9,356                              |
| Compensation to Board of Directors                                 |                    | 3,194                           | 6,439                              |
| Interest on financial instruments payable                          |                    | 1,814                           | 2,474                              |
| Other accounts payable   |                    | 9,108                           | 19,100                             |
|  |                    | <b>892,887</b>                  | <b>895,518</b>                     |
| <b>Classification by maturity:</b>                                 |                    |                                 |                                    |
| Current  |                    | 861,683                         | 857,568                            |
| Non current  |                    | 31,204                          | 37,950                             |
|  |                    | <b>892,887</b>                  | <b>895,518</b>                     |

- (a) Trade accounts payable arise mainly from the acquisition of goods and services intended for the development of the Group's operations and correspond to invoices payable to local and foreign suppliers. They have current maturities, do not generate interest and have not been granted collaterals for these obligations.

Unión de Concreteras S.A. and Concremax S.A. offer suppliers a payment plan for invoices through financial entities. This plan allows suppliers to sell their accounts receivable to financial entities, according to an agreement between a supplier and a financial entities. Such agreement enables suppliers to improve cash flow management and the Group to reduce payment processing costs. Such subsidiaries do not have direct financial interest on these transactions.

The obligations to suppliers, including accounts payable, remain in place according to contractual terms. As of March 31, 2022 and December 31, 2021, accounts payable amount to S/ 76,275,000 and S/ 96,271,000, respectively.

#### 14. Income Tax

Movement in the deferred tax liabilities is as follows:

| <i>In thousands of soles</i>                            | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|---|-------------|---------------------------------|------------------------------------|
| <b>Deferred tax assets</b>                              |             |                                 |                                    |
| <b>Initial balance</b>                                  |             | <b>387,786</b>                  | <b>358,170</b>                     |
| Effects on consolidated statement of profit or loss (a) |             | (6,400)                         | 14,979                             |
| Debit to other comprehensive income                     |             | (4,540)                         | (6,018)                            |
| Acquisition of subsidiaries                             | 1 B.        | -                               | 3,016                              |
| Others  |             | 2,286                           | (49)                               |
| Effects of translation                                  |             | (16,441)                        | 17,688                             |
| <b>Final Balance</b>                                    |             | <b>362,691</b>                  | <b>387,786</b>                     |
| <b>Deferred tax assets</b>                              |             |                                 |                                    |
| <b>Initial balance</b>                                  |             | <b>(776,005)</b>                | <b>(775,928)</b>                   |
| Effects on consolidated statement of profit or loss (a) |             | 9,362                           | 22,988                             |
| Acquisition of subsidiaries                             | 1 B.        | -                               | (13,659)                           |
| Others  |             | (2,288)                         | -                                  |
| Effects of translation                                  |             | 8,798                           | (9,406)                            |
| <b>Final balance</b>                                    |             | <b>(760,133)</b>                | <b>(776,005)</b>                   |
| <b>Total deferred tax assets, net</b>                   |             | <b>(397,442)</b>                | <b>(388,219)</b>                   |

- (a) Expenses for the provision for income tax presented in the consolidated statement of profit or loss are as follows:

| <i>In thousands of soles</i> | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|------------------------------|-------------|---------------------------------|---------------------------------|
| Current tax                  |             | (107,752)                       | (57,144)                        |
| Deferred tax                 |             | 2,962                           | 4,385                           |
| Others                       |             | (3,826)                         | 3,644                           |
|                              |             | <b>(108,616)</b>                | <b>(49,115)</b>                 |

#### 15. Net equity

##### A. Issued capital

As of March 31, 2022 and December 31, 2021, the subscribed and paid-in capital is represented by 1,818,127,611 ordinary shares at a face value of S/ 1 each. The Company's ordinary shares are listed in the Lima Stock Exchange.

|                         | <b>As of March 31, 2022</b> |                      |
|-------------------------|-----------------------------|----------------------|
|                         | <b>Number of shares</b>     | <b>Interests (%)</b> |
| <b>Shareholders</b>     |                             |                      |
| Inversiones JRPR S.A.   | 456,669,897                 | 25.12                |
| Nuevas Inversiones S.A. | 459,129,497                 | 25.25                |
| AFP's                   | 473,326,865                 | 26.03                |
| Others                  | 429,001,352                 | 23.60                |
|                         | <b>1,818,127,611</b>        | <b>100.00</b>        |



**Unión Andina de Cementos S.A.A. & Subsidiaries**  
Notes to the UNAUDITED Consolidated Financial Statements  
As of March 31, 2022 and December 31, 2021

|                         | As of December 31, 2021 |               |
|-------------------------|-------------------------|---------------|
|                         | Number of shares        | Interests (%) |
| <b>Shareholders</b>     |                         |               |
| Inversiones JRPR S.A.   | 456,669,897             | 25.12         |
| Nuevas Inversiones S.A. | 459,129,497             | 25.25         |
| AFP's                   | 476,657,910             | 26.22         |
| Others                  | 425,670,307             | 23.41         |
|                         | <b>1,818,127,611</b>    | <b>100.00</b> |

As of March 31, 2022, the share price of each ordinary share was S/ 2.16 (S/ 2.40 as of December 31, 2021).

**B. Additional capital**

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

**C. Treasury shares**

The Board of Directors' Meeting, held on August 20, 2021, approved the purchase of shares for up to S/ 34,600,000, without exceeding 2% of issued shares and before December 31, 2021. The Board of Directors' Meeting, held on December 22, 2021, agreed to extend the term to purchase shares until June 30, 2022. The shares are held in the portfolio for a maximum period of two years. Where they are held in the portfolio, rights inherent to the shares are suspended. The term may be extended and/or modified by the Company's Board of Directors.

As of March 31, 2022, the Company holds 10,860,000 treasury shares equivalent to S/ 19,911,000 (7,289,000 treasury shares equivalent to S/ 11,610,000, as of December 31, 2021).

**D. Legal reserve**

According to the Companies Act, the Group shall allocate not less than 10% of its profits distributed in each period, less income tax. This allocation is required until such reserve equals 20% of capital. The legal reserve may be used to offset losses, but it shall be restored. As of March 31, 2022 and December 31, 2021, the legal reserve reached a maximum of 20% of the issued capital.

**E. Unrealized gains and losses**

It corresponds to changes in the fair value, net of tax effects, of hedging instruments, see note 24.A.i.

**F. Dividend distribution**

This caption comprises the following information of the years 2022 and 2021:

**2022 dividends**

| <i>In thousands of soles</i>               | Dividends declared and paid | Date of payment | Dividends per ordinary share |
|--|-----------------------------|-----------------|------------------------------|
| <b>Date of Board of Directors' Meeting</b> |                             |                 |                              |
| January 26, 2022                           | 36,194                      | 28.01.2022      | 0.020                        |
|  | <b>36,194</b>               |                 |                              |

**2021 dividends**

| <i>In thousands of soles</i>               | <b>Dividends declared<br/>and paid</b> | <b>Date of<br/>payment</b> | <b>Dividends per ordinary<br/>share</b> |
|--|--|----------------------------|---|
| <b>Date of Board of Directors' Meeting</b> |  |                            |   |
| February 24, 2021                          | 23,636                                 | 30.03.2021                 | 0.013                                   |
| April 23, 2021                             | 23,636                                 | 12.05.2021                 | 0.013                                   |
| June 21, 2021                              | 36,362                                 | 23.07.2021                 | 0.020                                   |
| October 27, 2021                           | 36,362                                 | 30.11.2021                 | 0.020                                   |
| December 14, 2021 (*)                      | 72,449                                 | 18.01.2022                 | 0.040                                   |
|  | <b>192,445</b>                         |                            |   |

(\*) It was approved at the General Shareholders' Meeting of UNACEM S.A.A., held on December 14, 2021.

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

In 2022, UNACEM Ecuador subsidiary distributed dividends to its non-controlling shareholders for approximately S/ 615,000. In 2021, UNACEM Ecuador subsidiaries, Entrepisos, Inveco Ambiental Andina distributed dividends to their non-controlling shareholders for approximately S/286,000, S/2,536,000, S/ 3,990,000 and S/ 206,000, respectively.

As of March 31, 2022, the Group maintains a balance pending payment of dividends for approximately S/ 12,819,000 (S/ 87,846,000 as of December 31, 2021), see note 13.

**G. Gains or losses on translation**

It corresponds to the exchange differences arising on translating foreign currency of subsidiaries into the Group's presentation currency.

In 2021 and 2022, the effects of exchange differences attributable to non-controlling interests recognized in the consolidated statement of comprehensive income resulted in gains and losses for approximately S/ 119,989,000 and S/ 142,277,000, respectively.

**H. Unpaid dividends**

It corresponds to prior year dividends distributed to certain shareholders of the subsidiaries, which have not been paid in more than three years.

## 16. Net Sales

This caption comprises the following:

| <i>In thousands of soles</i>                   | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|--|---------------------------------|---------------------------------|
| <b>Operating segments</b>                      |                                 |                                 |
| Cement   | 800,725                         | 627,906                         |
| Concrete                                       | 503,406                         | 408,524                         |
| Power and energy                               | 66,109                          | 46,681                          |
| Other services                                 | 4,053                           | 3,848                           |
|  | <b>1,374,293</b>                | <b>1,086,959</b>                |
| <b>Timing of transfer of goods or services</b> |                                 |                                 |
| Goods transferred at a point in time           | 1,284,150                       | 1,013,634                       |
| Services transferred at a point in time        | 90,143                          | 73,325                          |
|  | <b>1,374,293</b>                | <b>1,086,959</b>                |

## 17. Cost of Sales

This caption comprises the following:

| <i>In thousands of soles</i>                               | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|--|-------------|---------------------------------|---------------------------------|
| Beginning inventory of finished goods and work-in-progress | 7           | 241,109                         | 193,421                         |
| <b>Production costs</b>                                    |             |                                 |                                 |
| Use of raw materials                                       |             | 192,586                         | 148,523                         |
| Personnel expenses   |             | 162,096                         | 143,623                         |
| Fuel   |             | 160,511                         | 117,268                         |
| Depreciation   | 9(e)        | 107,771                         | 102,332                         |
| Maintenance costs  |             | 72,909                          | 59,837                          |
| Transport costs and import duties                          |             | 43,541                          | 32,508                          |
| Use of packaging   |             | 31,758                          | 24,764                          |
| Electric power   |             | 29,714                          | 23,790                          |
| Provision for inventory obsolescence                       |             | 3,727                           | 2,509                           |
| Site preparation (quarries)                                |             | 2,489                           | 1,853                           |
| Amortization   | 10(a)       | 2,297                           | 2,395                           |
| Depreciation of right-of-use assets                        | 8(c)        | 2,077                           | 2,781                           |
| Depreciation of stripping activity assets                  |             | 1,529                           | 1,730                           |
| Acquisition of subsidiaries                                | 1.B         | -                               | 10,345                          |
| Other production costs                                     |             | 131,511                         | 85,360                          |
| Ending inventory of finished goods and work-in-progress    | 7           | (228,993)                       | (209,837)                       |
|  |             | <b>956,632</b>                  | <b>743,202</b>                  |

## 18. Administrative Expenses

This caption comprises the following:

| <i>In thousands of soles</i>        | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|-------------------------------------|-------------|---------------------------------|---------------------------------|
| Personnel expenses                  |             | 56,418                          | 36,103                          |
| Third-party services                |             | 15,927                          | 10,581                          |
| Taxes                               |             | 6,961                           | 5,117                           |
| Depreciation                        | 9(e)        | 3,672                           | 3,146                           |
| Donations                           |             | 2,899                           | 5,696                           |
| Wide range of Load management       |             | 2,823                           | 2,274                           |
| Amortization                        | 10(a)       | 1,300                           | 687                             |
| Estimate for expected credit loss   |             | 577                             | 310                             |
| Depreciation of right-of-use assets | 8(c)        | 160                             | 136                             |
| Others                              |             | 5,635                           | 3,288                           |
|                                     |             | <b>96,372</b>                   | <b>67,338</b>                   |

## 19. Other Income

As of March 31, 2021, as a result of the acquisition of UNACEM Chile, the Group recognized a negative goodwill for approximately S/ 84,489,000, which was adjusted as of December 31, 2021 to S/ 9,447,000.

## 20. Borrowing Costs

As of March 31, 2022 and 2021, this item is mainly composed of interest on bonds issued and debts with banks for S/ 38,022,000 and S / 44,988,000, respectively (see note 12 (b) and 12.A(d)).

## 21. Related Party Transactions

(a) The main transactions with related entities as of March 31, 2022 and 2021 were as follows:

| <i>In thousands of soles</i>                     | <i>Note</i> | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|-------------|
| <b>Revenue</b>                                   |             |             |             |
| <b>Sale of cement</b>                            |             |             |             |
| La Viga S.A.                                     |             | 149,776     | 120,162     |
| Asociación UNACEM                                |             | 38          | 21          |
| <b>Dividends earned</b>                          |             |             |             |
| Ferrocarril Central Andino S.A.                  |             | -           | 8,741       |
| <b>Costs and expenses</b>                        |             |             |             |
| <b>Donations</b>                                 |             |             |             |
| Asociación UNACEM                                |             | 2,778       | 5,876       |
| <b>Purchase of additives</b>                     |             |             |             |
| Master Builders Solutions Perú S.A.              |             | 13,151      | 11,003      |
| <b>Fees and import duties for sale of cement</b> |             |             |             |
| La Viga S.A.                                     |             | 8,007       | 7,086       |
| <b>Other expenses</b>                            |             |             |             |
| Master Builders Solutions Perú S.A.              |             | 690         | 1,125       |
| Compañía Inversiones Santa Cruz S.A.             |             | 26          | 32          |
| <b>Other expenses</b>                            |             |             |             |
| Master Builders Solutions Perú S.A.              |             | 736         | 333         |
| Asociación UNACEM                                |             | 47          | 64          |
| La Viga S.A.                                     |             | 47          | 55          |

- (b) As a result of these and other minor transactions, the Group has the following balances with its related parties:

| <i>In thousands of soles</i>        | <i>Note</i> | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|-------------------------------------|-------------|---------------------------------|------------------------------------|
| <b>Accounts receivable</b>          | <b>6</b>    |                                 |                                    |
| La Viga S.A.                        |             | 35,572                          | 30,252                             |
| Master Builders Solutions Perú S.A. |             | 311                             | 302                                |
| Others                              |             | 1,046                           | 946                                |
|                                     |             | <b>36,929</b>                   | <b>31,500</b>                      |
| <b>Accounts payable</b>             | <b>13</b>   |                                 |                                    |
| Master Builders Solutions Perú S.A. |             | 18,569                          | 16,151                             |
| La Viga S.A.                        |             | 3,188                           | 3,415                              |
| Others                              |             | 19                              | 17                                 |
|                                     |             | <b>21,776</b>                   | <b>19,583</b>                      |

- (c) The Group conducts its operations with related entities under the same conditions as those made with third parties, therefore there is no difference in pricing policies or the settlement of tax base, in relation to the payment, and they do not differ with the policies issued to third parties.
- (d) The total remuneration paid to Group's directors and key members of management as of March 31, 2022 is amounting to approximately S/5,523,000 ( as of March 31, 2021 for approximately S/5,108,000 as of March 31, 2021), which include short-term benefits and compensation for time served.
- (e) As of March 31, 2022 and December 31, 2021, there were no changes in the Parent Company, Nuevas Inversiones S.A., or in the ultimate controlling party, Inversiones JRPR S.A.

## 22. Earnings per Share

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

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

| <i>In thousands of soles</i>                                    | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|---|---------------------------------|---------------------------------|
| <b>Numerator</b>  |                                 |                                 |
| Profit or loss attributable to ordinary equity holders          | 174,737                         | 201,351                         |
| <b>Denominator</b>  |                                 |                                 |
| Weighted average number of outstanding shares (ordinary shares) | 1,818,128                       | 1,818,128                       |
| <b>As of March 31,<br/>2022</b>                                 |                                 |                                 |
| <b>As of March 31,<br/>2021</b>                                 |                                 |                                 |
| Net basic and diluted earnings per share                        | 0.096                           | 0.111                           |

As of March 31, 2022, the Company held 10,860,000 treasury shares. As of March 31, 2021, there was no acquisition of treasury shares.

## **23. Contingencies and Commitments**

### **A. Financial and purchase commitments**

- (i) As of March 31, 2022, the subsidiaries maintain the following current letters of guarantee:
- A letter of guarantee issued by Banco de Crédito del Perú S.A. on behalf of MINEM to ensure the execution of the mine closure plan of its mining concessions for US\$ 1,884,000, equivalent to S/ 6,973,000, maturing in January 2023, in order to ensure compliance of the Mine Closure of its mining concessions.
  - A letter of guarantee issued by Banco de Crédito del Perú S.A. on behalf of the Ministry of Production, by a total approximate of S/(4,220,000 equivalent to S/15,618,000 with a maturity on January 2023, in order to ensure compliance of the Mine Closure of its mining concessions.
  - A letter of guarantee issued by Banco de Crédito del Perú S.A. on behalf of third parties for a total of S/ 631,000 due in March 2023.
  - Letters of guarantee issued by financial institutions on behalf of Unión de Concreteras S.A. and Concremax S.A. to ensure the supply of concrete to customers for approximately S/. 84,156,000.
  - Letters of guarantee issued by financial institutions on behalf of Entrepisos Lima S.A.C. to ensure the supply of slabs and precast concrete products to customers, for approximately S/ 4,699,000.
  - Letters of guarantee issued by financial institutions on behalf of Depósito Aduanero Conchán S.A. To ensure the fulfillment of obligations related to customs warehousing in accordance with the General Customs Law, regulations and other applicable administrative provisions. They amount to US\$ 100,000, equivalent to S/ 370,000
  - A letter of guarantee issued by Scotiabank Perú S.A.A. and granted by Compañía Eléctrica El Platanal S.A. on behalf of Consorcio Transmantaro S.A. for US\$ 3,000,000 to ensure the fulfillment of contractual obligations related to the energy conversion contract for the complementary transmission system. It matures in July 2022.
  - On September 23, 2016, Scotiabank Chile S.A. approved a credit facility of up to US\$ 4,000,000 on behalf of Prefabricados Andinos S.A., which is secured by a letter of credit of Prefabricados Andinos Perú S.A.C. issued by Scotiabank Perú S.A.A. It matures in September 2022.
  - On December 13, 2016, BBVA Colombia S.A. approved a credit facility of up to US\$ 3,550,000 on behalf of Prefabricados Andinos Colombia S.A.S., which is secured by a letter of credit of Prefabricados Andinos Perú S.A.C. issued by BBVA Banco Continental S.A. It matures in January 2023.
  - As of December 31, 2021, Vigilancia Andina S.A. has letters of guarantee issued by financial institutions to ensure the fulfillment of payment obligations related to salaries of employees under fixed-term employment contracts for approximately S/ 2,716,000

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

- Letter of credit US\$ 40,447,000, dated November 18, 2010 and amended on November 10, 2020, between Banco de Nova Scotia US Operations (issuer) and US Bank National Association (trustee), the latter entity dated November 1, 2010 entered into a trust agreement with the Yavapai County Industrial Development Authority (authority). Likewise, on November 10, 2020, the letter of credit was renewed for an additional 5 years, see note 12.A. (a).i.
- A letter of credit, dated July 30, 2015, for US\$ 75,838,000 between Drake Cement L.L.C. and Skanon Investments, Inc. (guarantors) and Bank of Nova Scotia, New York Agency (issuer) so that the issuer directly pays the credit by Drake Cement L.L.C. on behalf of U.S. Bank National Association (trustee). The trustee entered into a trust agreement with the Yavapai County Industrial Development Authority (authority). On June 1, 2020, the letter of credit was renewed for a five-year term, see note 12.A.(a).i.

(iii) Letter of indemnity

Skanon Investments Inc. subsidiary establishes indemnification provisions under agreements with other entities—i.e., trading partners, customers, property owners, lenders and lessors—in the normal course of business. Under such provisions, Skanon Investments Inc. generally indemnifies and holds harmless the indemnified party in respect of any loss or damage suffered by the indemnified party as a result of its activities or, in some cases, as a result of the indemnified party's activities. The maximum amount of future payments that Skanon Investments Inc. could make under the provisions is unlimited. Skanon Investments Inc. did not incur material costs to defend claims or settle claims related to the indemnification provisions. Accordingly, Skanon Investments Inc. considers that the fair value of these provisions is low. As of March 31, 2022 and December 31, 2021, the Group's Management has no liabilities recorded under the indemnification provisions.

(iv) Purchase option

In accordance with the third addendum to the limited liability company operating agreement, dated September 1, 2007, Skanon Investments Inc. has the option to purchase non-controlling interests in Drake Cement L.L.C From January 1, 2009, Skanon Investments Inc. has the option, but not the obligation, to purchase non-controlling interests at any time at fair value. The fair value will be measured by mutual agreement at the General Shareholders' Meeting. As of December 31, 2021 and 2020, Drake Cement L.L.C. did not exercise the option.

## B. Finance leases

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

|  | As of March 31, 2022   |                                 | As of December 31, 2021 |                                 |
|--|------------------------|---------------------------------|-------------------------|---------------------------------|
|  | Minimum lease payments | Present value of lease payments | Minimum lease payments  | Present value of lease payments |
| <i>In thousands of soles</i>                   |                        |                                 |                         |                                 |
| In 1 year                                      | 46,639                 | 37,825                          | 48,398                  | 35,876                          |
| Between one to more years                      | 207,353                | 99,801                          | 229,088                 | 111,382                         |
| <b>Total , payments to be done</b>             | <b>253,992</b>         | <b>137,626</b>                  | <b>277,486</b>          | <b>147,258</b>                  |
| Less: Borrowing costs                          | (116,366)              | -                               | (130,228)               | -                               |
| <b>Present value of minimum lease payments</b> | <b>137,626</b>         | <b>137,626</b>                  | <b>147,258</b>          | <b>147,258</b>                  |

## C. Tax Matters

(i) The subsidiaries of the Group are subject to the tax laws of the country in which they operate and to taxes separately based on their non-consolidated income. As of March 31, 2022 and December 31, 2021, the income tax rates of the countries in which the Group operates are as follows:

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| In percentages                | Tax rates    |              |
|-------------------------------|--------------|--------------|
|                               | 2022         | 2021         |
| Perú                          | 29.5         | 29.5         |
| Ecuador                       | 25.0         | 25.0         |
| Estados Unidos de América (*) | 21.0 and 4.9 | 21.0 and 4.9 |
| Chile                         | 27.0         | 27.0         |

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

- (ii) In determining income tax, transfer pricing with related parties and entities domiciled in territories with low or zero taxation shall be supported with documents and information on the valuation techniques and the criteria used for the pricing.

Based on the business analysis, it is the opinion of management and its legal advisors that no significant contingencies will arise as of March 31, 2022 and December 31, 2021 from the application of such regulations.

- (iii) The Tax Authorities of each country are entitled to audit and, if applicable, to correct the income tax calculated by the Group. The affidavits of income tax are open to inspection by the Tax Authority as follows:

|   | Period subject to tax assessments |
|---|-----------------------------------|
| <b>In Peru -</b>                                      |                                   |
| Unión Andina de Cementos S.A.A.                       | 2013 and 2017 – 2021              |
| Compañía Eléctrica el Platanal S.A.                   | 2016 – 2021                       |
| Celepsa Renovables S.R.L.                             | 2017 – 2021                       |
| Generación Eléctrica Atocongo S.A.                    | 2017 – 2021                       |
| Unión de Concreteras S.A.                             | 2017 – 2021                       |
| Concremax S.A.  | 2017 – 2021                       |
| Inversiones en Concreto y Afines S.A.                 | 2017 – 2021                       |
| Prefabricados Andinos Perú S.A.C.                     | 2017 – 2021                       |
| Transportes Lurín S.A.                                | 2017 – 2021                       |
| Depósito Aduanero Conchán S.A.                        | 2017 – 2021                       |
| Inversiones Imbabura S.A.                             | 2017 – 2021                       |
| Inversiones Nacionales y Multinacionales Andinas S.A. | 2017 – 2021                       |
| ARPL tecnología Industrial S.A.                       | 2017 – 2021                       |
| Vigilancia Andina S.A.                                | 2017 – 2021                       |
| Entrepisos Lima S.A.C.                                | 2017 – 2021                       |
| <b>In Ecuador</b>                                     |                                   |
| UNACEM Ecuador S.A.                                   | 2018-2021                         |
| Unión de Concreteras UNICON UCUE Cía. Ltda.           | 2018-2021                         |
| <b>In Chile</b>                                       |                                   |
| Prefabricados Andinos S.A.                            | 2018-2021                         |
| UNACEM Chile S.A.                                     | 2018-2021                         |
| Inversiones MEL20 Limitada                            | 2018-2021                         |
| UNICON Chile S.A.                                     | 2018-2021                         |
| <b>In Colombia</b>                                    |                                   |
| Prefabricados Andinos Colombia S.A.S.                 | 2017-2021                         |
| <b>In The United States</b>                           |                                   |
|   | 2017-2021                         |

Due to the possible interpretations of the applicable laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Group. Therefore,



any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are determined. It is the opinion of management and its legal advisors that any possible additional settlement of taxes would not be significant for the consolidated financial statements as of March 31, 2022 and December 31, 2021.

- (iv) (As of March 31, 2022 and December 31, 2021, tax loss carryforwards of subsidiaries are as follows:

| <i>In thousands of soles</i>                             | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
| Skanon Investments Inc. and Subsidiaries (a)             | 2,156,868   | 2,320,311   |
| Compañía Eléctrica El Platanal S.A. and Subsidiaries (b) | 248,497     | 274,926     |
| Prefabricados Andinos S.A.– PREANSA Chile(c)             | 51,801      | 42,707      |
| Prefabricados Andinos Perú S.A.C. – PREANSA Perú (b)     | 16,007      | 16,172      |
| Prefabricados Andinos Colombia S.A.S (c)                 | 9,007       | 9,160       |
| UNICON Chile S.A. (c)                                    | 4,546       | 4,547       |
| Depósito Aduanero Conchán S.A. (b)                       | 2,053       | 1,854       |
| Transportes Lurín S.A. (b)                               | 493         | 489         |
| Inversiones Imbabura S.A. (b)                            | -           | 1,013       |
| Other minor Peruvian subsidiaries(b)                     | 578         | 414         |

- (a) The tax loss carryforwards of subsidiaries domiciled in the United States amount to US\$ 583,726,000 (equivalent to S/ 2,156,868,000). According to management, the federal and state losses for US\$ 312,474,000 and US\$ 271,252,000, respectively (equivalent to S S/ 1,154,591,000 and S/ 1,002,277,000, respectively).

In accordance with the laws of the United States, the subsidiaries domiciled in the United States are subject to a federal tax rate of 21% and a state tax rate of 4.9%, respectively, on taxable profits.

- (b) Management of each subsidiary domiciled in Peru with tax loss carryforwards chose the option to offset tax losses up to 50% of the taxable profits generated in each year, indefinitely, as well as the option to offset tax losses within four years from the date in which they are generated.
- (c) The tax loss carryforwards of subsidiaries domiciled in Chile and Colombia will be offset against the future taxable profits of subsidiaries in accordance with applicable tax laws.

- (v) As of March 31, 2022, the net outstanding balance, net of income tax, amounts to approximately S/ 88,734,000 (as of December 31, 2021 amounted to S/ 102,976,000 ).

#### **D. Contingencies**

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

##### **Perú**

###### **i. Tax assessments**

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

##### **UNACEM Corp**

- Income tax for the years 2000 and 2001
- Income tax for the years 2004 and 2005.
- Fines for income tax for the year 2013.

- Fines for interest on down payments of income tax for the year 2014.
- Contribution to the retirement fund for mining, metallurgical and steel workers for the years from 2013 to 2015
- Mining royalties of Former Cementos Lima for the years 2008 and 2009.
- Mining royalties of Former Cementos ANdino for the year 2008.

As of March 31, 2022 and December 31, 2021, the Company has accounts receivable from such tax proceedings, see note 6(b). It is the opinion of management and its legal advisors that the Group will obtain a favorable outcome.

#### **CONCREMAX**

- Income tax for the year 2012.

As of March 31, 2022 and December 31, 2021, the Group has accounts receivable from such tax proceedings, see note 6(b). It is the opinion of management and its legal advisors that the Group will obtain a favorable outcome.

#### **E. Environmental commitments**

The Group's activities are subject to the environmental regulations. This tax rules are the same as those described in the notes to the annual consolidated financial statements as of December 31, 2021.

## **24. Financial Risk Management**

It includes the management of the main risks that the Group faces due to the nature of its operations, these are: credit, liquidity and market risk.

### **A. Market risk**

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

The sensitivity analyses included in the following notes are related to the consolidated financial statements as of March 31, 2022 and December 31, 2021.

The Group prepared sensitivity analyzes based on the assumption that the variables (net debt, fixed and variable interest rates of debt and hedging instruments, and financial instruments in foreign currency) are held constant as of March 31, 2022 and December 31, 2021.

#### **i. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments fluctuates as a result of changes in the interest rates. The Group's exposure to interest rate risk mainly arises from long-term variable-rate debt instruments.

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▪ **Hedging instruments**

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

| As of March 31, 2022                         |          |                           |                |                            |            |                     |
|--|----------|---------------------------|----------------|----------------------------|------------|---------------------|
| Borrower                                     | Currency | Benchmark amount<br>(000) | Maturity date  | Receives variable rate at: | Fixed-rate | Fair value<br>(000) |
| <b>Liabilities</b>                           |          |                           |                |                            |            |                     |
| Citibank N.A.                                | US\$     | 50,000                    | October 2025   | 3-month LIBOR + 1.75%      | 5.700%     | 6,224               |
| Santander S.A.                               | US\$     | 45,000                    | November 2023  | 3-month LIBOR + 1.85%      | 5.030%     | 2,862               |
| Bank of Nova Scotia                          | US\$     | 30,000                    | September 2025 | 3-month LIBOR + 2.60%      | 5.660%     | 952                 |
| Banco Scotiabank (Chile)                     | US\$     | 4,000                     | August 2022    | 1-month LIBOR + 1.22%      | 3.200%     | 83                  |
| <b>Total</b>                                 |          |                           |                |                            |            | <b>10,121</b>       |
| <b>Asset</b>                                 |          |                           |                |                            |            |                     |
| Banco Scotiabank (Chile)                     | US\$     | 3,355                     | October 2023   | 3-month LIBOR + 1.85%      | 5.550%     | 896                 |
| Banco de Crédito e Inversiones (BCI) (Chile) | CLP      | 2,692,424                 | November 2027  | 6.78%                      | 3.377%     | 907                 |
| <b>Total</b>                                 |          |                           |                |                            |            | <b>1,803</b>        |
| As of December 31, 2021                      |          |                           |                |                            |            |                     |
| Borrower                                     | Currency | Benchmark amount<br>(000) | Maturity date  | Receives variable rate at: | Fixed-rate | Fair value<br>(000) |
| <b>Liabilities</b>                           |          |                           |                |                            |            |                     |
| Citibank N.A.                                | US\$     | 50,000                    | October 2025   | 3-month LIBOR + 1.75%      | 5.700%     | 13,210              |
| Santander S.A.                               | US\$     | 45,000                    | November 2023  | 3-month LIBOR + 1.85%      | 5.030%     | 8,499               |
| Bank of Nova Scotia                          | US\$     | 30,000                    | September 2025 | 3-month LIBOR + 2.60%      | 5.660%     | 3,719               |
| Banco Scotiabank (Chile)                     | US\$     | 4,000                     | August 2022    | 3-month LIBOR + 1.22%      | 3.200%     | 219                 |
| Banco Scotiabank (Chile)                     | US\$     | 1,883                     | March 2022     | 3-month LIBOR + 1.94%      | 5.400%     | 64                  |
| <b>Total</b>                                 |          |                           |                |                            |            | <b>25,711</b>       |
| <b>Asset</b>                                 |          |                           |                |                            |            |                     |
| Banco Scotiabank (Chile)                     | US\$     | 3,355                     | October 2023   | 3-month LIBOR + 1.85%      | 5.550%     | 896                 |
| Banco de Crédito e Inversiones (BCI) (Chile) | CLP      | 2,692,424                 | November 2027  | 6.78%                      | 3.377%     | 526                 |
| <b>Total</b>                                 |          |                           |                |                            |            | <b>1,422</b>        |

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The effective portion of changes in the fair value of financial instruments that qualify as hedges is recognized as assets or liabilities and with impact on equity. As of March 31, 2022 and December 31, 2021, the Group has recognized under "Unrealized net profit" on hedging financial derivative instruments" in the statement of changes in equity, a positive and negative change in fair value of approximately S/ 11,592,000 and S/12,347,000, which is presented net of the effect on the income tax, respectively.

As of March 31, 2022 and 2021 the Group recognized an expense on these derivative financial instruments amounting to approximately S/ 3,484,000 and S/ 3,870,000 respectively, whose amounts were actually paid during the year and are presented as "Borrowing Costs" in the consolidated statement of income.

**Sensitivity to interest rate**

The Group does not show the sensitivity to a reasonably possible change in interest rates on the portion of the loans, after the impact of hedge accounting.

**ii. Exchange rate risk**

Exchange rate risk is the risk that the fair value or future cash flows of financial instruments fluctuates as a result of changes in the exchange rates. The Group's exposure to foreign exchange risk relates, firstly, to the Group's operating activities (when revenues and expenses are denominated in a currency other than the Group's functional currency).

The management of each company monitors this risk through the analysis of the country's macroeconomic variables.

The result of maintaining balances in foreign currency for the Group as of March 31, 2022 resulted in a net gain of approximately S/ 42,104,000 (net loss of and S/ 20,012,000 as of March 31, 2021), which are presented in the caption "Exchange difference, net" of the consolidated income statement.

As of March 31, 2022, the Group maintains a liability for a derivative financial instrument corresponding to a "Cross Currency Interest Rate Swap" amounting to S/ 3,769,000 in favor of the BBVA Peru bank (S/ 6,870,000 as of December 31, 2021 in favor of the banks, BBVA Peru and Banco Internacional del Peru), in order to cover their risks of fluctuation in the exchange rate. These instruments were designated as held for trading.

As of March 31, 2022 and 2021, variations in fair value are recognized as an expense or income. As of March 31, 2022, the effect corresponds to a net financial income of approximately S/ 3,101,000 (net financial expense of S/ 1,700,000 as of March 31, 2021) and is presented as part of the caption "Borrowing cost" and "Financial income" of the consolidated income statement.

Likewise, as of March 31, 2022 and 2021, a financial expense was recognized, net for these derivative financial instruments amounting to approximately S/ 334,000 and S/ 170,000, respectively, the amounts of which have been effectively paid during the year and are presented as part of the caption "Financial expenses" and "Financial income", net of the consolidated income statement.

**Sensitivity to exchange rates**

Foreign currency transactions are entered into at the free-market exchange rates published by the Banking, Insurance and Private Pension Plan Agency (Superintendencia de Banca, Seguros y AFP - SBS). As of March 31, 2022, the weighted average of free-market exchange rates used in foreign currency transactions (U.S. dollars) were S/ 3.695 (buy rate) and S/ 3.701 (sell rate) (S/ 3.975 (buy rate) and S/ 3.998 (sell rate) as of December 31, 2021), respectively.

As of December 31, 2021 and 2020, the Group's assets and liabilities are held in U.S. dollars. The following table shows the foreign currency assets and liabilities:

| <i>In thousands of dollars</i>                      | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
| <b>Asset</b>  |                  |                  |
| Cash and cash equivalents                           | 48,051           | 26,106           |
| Trade and other payables                            | 113,073          | 91,674           |
|   | <b>161,124</b>   | <b>117,780</b>   |
| <b>Liabilities</b>                                  |                  |                  |
| Other financial liabilities                         | (148,158)        | (179,726)        |
| Trade and other payables                            | (90,074)         | (64,093)         |
|   | <b>(238,232)</b> | <b>(243,819)</b> |
| Derivative financial instrument in foreign currency | (1,018)          | (1,718)          |
| <b>Net liability position</b>                       | <b>(78,126)</b>  | <b>(127,757)</b> |

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before income tax (due to changes in the fair value of monetary assets and liabilities, including derivative financial instruments in foreign currency not classified as hedge).

| <i>In thousands of soles</i>                    | <b>Impact on profit before income tax</b> |                             |
|---|---|-----------------------------|
|   | <b>As of March 31, 2022</b>               | <b>As of March 31, 2021</b> |
| <b>Changes in exchange rates (U.S. dollars)</b> |   |                             |
| %   |   |                             |
| +5  | (14,506)                                  | (32,865)                    |
| +10   | (29,011)                                  | (65,730)                    |
| -5  | 14,506                                    | 32,865                      |
| -10   | 29,011                                    | 65,730                      |

#### **B. Credit risk**

Credit risk is the risk that a financial loss will be incurred if a borrower to a financial instrument or contract fails to meet its financial obligations. The Group is exposed to credit risk from its operating activities, including trade accounts receivable, as well as financing activities, including deposits at banks and financial institutions, foreign currency transactions and other financial instruments. The maximum exposure to credit risk for the items in the consolidated financial statements as of March 31, 2022 and December 31, 2021 is represented by the sum of items of cash and cash equivalents, trade and accounts receivable.

The Group's Management continuously monitors the credit risk of these items and periodically evaluates those debts that show impairment to determine the provision required for uncollectibility.

#### **C. Liquidity risk**

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the open use of bank accounts and other financial obligations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| <i>In thousands of soles</i>       | <b>As of March 31, 2022</b> |                          |                             |                  |
|------------------------------------|-----------------------------|--------------------------|-----------------------------|------------------|
|                                    | <b>From 1 to 12 months</b>  | <b>From 1 to 3 years</b> | <b>From 4 to more years</b> | <b>Total</b>     |
| Trade and other payables (*)       | 754,663                     | 20,219                   | 10,392                      | 785,274          |
| <b>Other financial liabilities</b> |                             |                          |                             |                  |
| Amortization of capital            | 843,212                     | 1,543,441                | 1,506,624                   | 3,893,277        |
| Flow of interest payments          | 152,642                     | 242,725                  | 224,254                     | 619,621          |
| <b>Lease liabilities</b>           |                             |                          |                             |                  |
| Amortization of capital            | 8,826                       | 10,710                   | 3,052                       | 22,588           |
| Flow of interest payments          | 494                         | 626                      | 1,977                       | 3,097            |
| <b>Total liabilities</b>           | <b>1,759,837</b>            | <b>1,817,721</b>         | <b>1,746,299</b>            | <b>5,323,857</b> |

| <i>In thousands of soles</i>    | <b>As of December 31, 2021</b> |                          |                             |                  |
|---------------------------------|--------------------------------|--------------------------|-----------------------------|------------------|
|                                 | <b>From 1 to 12 months</b>     | <b>From 1 to 3 years</b> | <b>From 4 to more years</b> | <b>Total</b>     |
| Trade and other payables (*)    | 783,141                        | 21,035                   | 12,586                      | 816,762          |
| <b>Other financial payables</b> |                                |                          |                             |                  |
| Amortization of capital         | 700,255                        | 1,523,344                | 1,704,435                   | 3,928,034        |
| Flow of interest payments       | 154,045                        | 262,221                  | 216,412                     | 632,678          |
| <b>Lease liabilities</b>        |                                |                          |                             |                  |
| Amortization of capital         | 8,345                          | 12,760                   | 3,735                       | 24,840           |
| Flow of interest payments       | 623                            | 771                      | 2,154                       | 3,548            |
| <b>Total liabilities</b>        | <b>1,646,409</b>               | <b>1,820,131</b>         | <b>1,939,322</b>            | <b>5,405,862</b> |

(\*) As of March 31, 2022 and December 31, 2021, it does not include customer advances, taxes, contributions and labor contributions and general sales tax for approximately S/ 107,613,000 and S/ 78,756,000, respectively.

#### D. Capital management

No changes were made in the objectives, policies or processes for managing capital during the years ended on March 31, 2022 and December 31, 2021.

## 25. Fair Value

#### A. Financial instruments measured at fair value using the fair value hierarchy

The following table shows an analysis of financial instruments measured at fair value at the reporting date, including the level of the fair value hierarchy:

| <i>In thousands of soles</i>            | <b>Level 2</b> | <b>Total</b>  |
|---|----------------|---------------|
| <b>As of March 31, 2022</b>             |                |               |
| <b>Financial assets</b>                 |                |               |
| Derivative financial instruments        | 1,803          | 1,803         |
| <b>Financial liabilities</b>            |                |               |
| Hedging instruments                     | 13,890         | 13,890        |
| <b>Total financial liabilities, net</b> | <b>12,087</b>  | <b>12,087</b> |
| <b>As of December 31, 2021</b>          |                |               |
| <b>(i) Financial assets -</b>           |                |               |
| Derivative financial instruments        | 1,422          | 1,422         |
| <b>Financial liabilities</b>            |                |               |
| Derivative financial instruments        | 32,581         | 32,581        |
| <b>Other financial liabilities</b>      | <b>31,159</b>  | <b>31,159</b> |

**Fair value of financial instruments measured at amortized cost**

Below are the other financial instruments measured at amortized cost and their fair value categorized within different levels of the fair value hierarchy.

**Level 1**

- Cash and cash equivalents are not significantly exposed to credit or interest rate risks. Therefore, the carrying amount is a reasonable approximation of fair value.
- Accounts receivable are net of loss allowance, and have current maturities. In management's opinion, the carrying amount does not differ materially from the fair value.
- Due to their current maturity, the carrying amount of trade and other accounts payable is a reasonable approximation of fair value.

**Level 2**

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

| <i>In thousands of soles</i>    | <b>As of March 31, 2022</b> |                   | <b>As of December 31, 2021</b> |                   |
|---------------------------------|-----------------------------|-------------------|--------------------------------|-------------------|
|                                 | <b>Carrying amount</b>      | <b>Fair value</b> | <b>Carrying amount</b>         | <b>Fair value</b> |
| Other financial liabilities (*) | 3,416,096                   | 3,095,066         | 3,588,500                      | 3,357,810         |

(\*) As of March 31, 2022 and December 31, 2021 it does not include promissory notes and overdrafts, see note 12.

**26. Segment information**

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

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

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

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

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

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

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The following table shows financial information as of March 31, 2022 and December 31, 2021 by reportable segment, net of eliminations:

| <i>In thousands of soles</i>           | As of March 31, 2022 |                  |                  |                |                   |                             | Consolidated      |
|--|----------------------|------------------|------------------|----------------|-------------------|-----------------------------|-------------------|
|  | Cement               | Concrete         | Electric power   | Others         | Total segments    | Adjustment and eliminations |                   |
| <b>Revenue</b>                         |                      |                  |                  |                |                   |                             |                   |
| Third-party customers                  | 800,725              | 503,406          | 66,109           | 4,053          | 1,374,293         | -                           | 1,374,293         |
| Inter segments                         | 81,732               | 31,191           | 24,857           | 145,664        | 283,444           | (283,444)                   | -                 |
| <b>Total revenues</b>                  | <b>882,457</b>       | <b>534,597</b>   | <b>90,966</b>    | <b>149,717</b> | <b>1,657,737</b>  | <b>(283,444)</b>            | <b>1,374,293</b>  |
| <b>Gross profit</b>                    | <b>312,641</b>       | <b>50,960</b>    | <b>51,062</b>    | <b>132,782</b> | <b>547,445</b>    | <b>(129,784)</b>            | <b>417,661</b>    |
| <b>Operating income (expenses)</b>     |                      |                  |                  |                |                   |                             |                   |
| Administration expenses                | (62,854)             | (17,737)         | (4,758)          | (18,392)       | (103,741)         | 7,369                       | (96,372)          |
| Selling expenses                       | (15,625)             | (7,158)          | (1,512)          | -              | (24,295)          | -                           | (24,295)          |
| Other operating income (expenses), net | (24,711)             | (8,269)          | (183)            | 1,247          | (31,916)          | 32,829                      | 913               |
| <b>Operating profit</b>                | <b>209,451</b>       | <b>17,796</b>    | <b>44,609</b>    | <b>115,637</b> | <b>387,493</b>    | <b>(89,586)</b>             | <b>297,907</b>    |
| <b>Other income (expenses)</b>         |                      |                  |                  |                |                   |                             |                   |
| Participation in associates            | -                    | 759              | -                | -              | 759               | (278)                       | 481               |
| Financial Income                       | 2,568                | 657              | 12               | 3,741          | 6,978             | (895)                       | 6,083             |
| Borrowing cost                         | (23,237)             | (6,075)          | (3,636)          | (14,458)       | (47,406)          | 895                         | (46,511)          |
| Exchange difference, net               | 40,994               | (6,110)          | 11,476           | (4,256)        | 42,104            | -                           | 42,104            |
| <b>Income before income tax</b>        | <b>229,776</b>       | <b>7,027</b>     | <b>52,461</b>    | <b>100,664</b> | <b>389,928</b>    | <b>(89,864)</b>             | <b>300,064</b>    |
| Income tax                             | (63,156)             | (476)            | (15,620)         | (24,068)       | (103,320)         | (5,296)                     | (108,616)         |
| <b>Net income for segment</b>          | <b>166,620</b>       | <b>6,551</b>     | <b>36,841</b>    | <b>76,596</b>  | <b>286,608</b>    | <b>(95,160)</b>             | <b>191,448</b>    |
| <b>Income before tax for segment</b>   | <b>250,445</b>       | <b>11,686</b>    | <b>56,085</b>    | <b>111,659</b> | <b>429,875</b>    | <b>(129,811)</b>            | <b>300,064</b>    |
| <b>Operating assets</b>                | <b>7,751,198</b>     | <b>1,279,561</b> | <b>1,184,639</b> | <b>624,484</b> | <b>10,839,882</b> | <b>224,600</b>              | <b>11,064,482</b> |
| <b>Operating liabilities</b>           | <b>557,649</b>       | <b>470,078</b>   | <b>72,376</b>    | <b>56,388</b>  | <b>1,156,491</b>  | <b>4,507,905</b>            | <b>5,664,396</b>  |



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| As of March 31, 2021                   |                  |                  |                  |                |                   |                                |                   |
|--|------------------|------------------|------------------|----------------|-------------------|--------------------------------|-------------------|
| <i>In thousands of soles</i>           | Cement           | Concrete         | Electric power   | Others         | Total segments    | Adjustment and<br>eliminations | Consolidated      |
| <b>Revenue</b>                         |                  |                  |                  |                |                   |                                |                   |
| Third-party customers                  | 627,906          | 408,524          | 46,681           | 3,848          | 1,086,959         | -                              | 1,086,959         |
| Inter segments                         | 61,231           | 37,197           | 24,711           | 14,744         | 137,883           | (137,883)                      | -                 |
| <b>Total revenues</b>                  | <b>689,137</b>   | <b>445,721</b>   | <b>71,392</b>    | <b>18,592</b>  | <b>1,224,842</b>  | <b>(137,883)</b>               | <b>1,086,959</b>  |
| <b>Gross profit</b>                    | <b>238,273</b>   | <b>65,871</b>    | <b>34,086</b>    | <b>3,394</b>   | <b>341,624</b>    | <b>2,133</b>                   | <b>343,757</b>    |
| <b>Operating income (expenses)</b>     |                  |                  |                  |                |                   |                                |                   |
| Administration expenses                | (52,301)         | (15,465)         | (3,432)          | (3,286)        | (74,484)          | 7,146                          | (67,338)          |
| Selling expenses                       | (13,577)         | (5,954)          | (898)            | -              | (20,429)          | -                              | (20,429)          |
| Other operating income (expenses), net | 26,002           | (1,305)          | 180              | 33             | 24,910            | 58,446                         | 83,356            |
| <b>Operating profit</b>                | <b>198,397</b>   | <b>43,147</b>    | <b>29,936</b>    | <b>141</b>     | <b>271,621</b>    | <b>67,725</b>                  | <b>339,346</b>    |
| <b>Other income (expenses)</b>         | <b>-</b>         | <b>1,704</b>     | <b>(11)</b>      | <b>-</b>       | <b>1,693</b>      | <b>-</b>                       | <b>1,693</b>      |
| Participation in associates            | 1,756            | 502              | 13               | 395            | 2,666             | (632)                          | 2,034             |
| Financial Income                       | (45,178)         | (7,474)          | (5,384)          | (2,910)        | (60,946)          | 632                            | (60,314)          |
| Borrowing cost                         | (17,243)         | 2,966            | (7,178)          | 1,453          | (20,002)          | (10)                           | (20,012)          |
| Exchange difference, net               |                  |                  |                  |                |                   |                                |                   |
| <b>Income before income tax</b>        | <b>137,732</b>   | <b>40,845</b>    | <b>17,376</b>    | <b>(921)</b>   | <b>195,032</b>    | <b>67,715</b>                  | <b>262,747</b>    |
| Income tax                             | (37,418)         | (5,294)          | (6,186)          | (217)          | (49,115)          | -                              | (49,115)          |
| <b>Net income for segment</b>          | <b>100,314</b>   | <b>35,551</b>    | <b>11,190</b>    | <b>(1,138)</b> | <b>145,917</b>    | <b>67,715</b>                  | <b>213,632</b>    |
| <b>Income before tax for segment</b>   | <b>181,154</b>   | <b>46,113</b>    | <b>22,758</b>    | <b>1,594</b>   | <b>251,619</b>    | <b>11,128</b>                  | <b>262,747</b>    |
| As of December 31, 2021                |                  |                  |                  |                |                   |                                |                   |
|  | Cement           | Concrete         | Electric power   | Others         | Total segments    | Adjustment and<br>eliminations | Consolidated      |
| <b>Operating assets</b>                | <b>7,948,310</b> | <b>1,508,634</b> | <b>1,200,587</b> | <b>238,837</b> | <b>10,896,368</b> | <b>226,930</b>                 | <b>11,123,298</b> |
| <b>Operating liabilities</b>           | <b>468,604</b>   | <b>554,173</b>   | <b>117,253</b>   | <b>51,284</b>  | <b>1,191,314</b>  | <b>4,561,677</b>               | <b>5,752,991</b>  |

**Eliminations and Reconciliation**

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

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

| <i>In thousands of soles</i>  | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b>    |
|---|---------------------------------|------------------------------------|
| <b>Reconciliation of profit or loss</b>   |                                 |                                    |
| <b>Profit before tax by operating segment before adjustments and eliminations</b> | <b>429,875</b>                  | <b>251,619</b>                     |
| Finance income  | 6,083                           | 2,034                              |
| Borrowing costs   | (46,511)                        | (60,314)                           |
| Net interests in associates   | 481                             | 1,693                              |
| Eliminations of related party transactions  | (89,864)                        | 67,715                             |
| <b>Profit before tax by operating segment</b>                                     | <b>300,064</b>                  | <b>262,747</b>                     |
| <i>In thousands of soles</i>  | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
| <b>Reconciliation of assets</b>   |                                 |                                    |
| <b>Segment assets</b>   | <b>10,839,882</b>               | <b>10,896,368</b>                  |
| Deferred tax assets   | 200,102                         | 206,404                            |
| Hedging instruments   | 1,803                           | 1,422                              |
| Other assets  | 22,695                          | 19,104                             |
| <b>Operating assets of the Group</b>  | <b>11,064,482</b>               | <b>11,123,298</b>                  |
| <b>Reconciliation of liabilities</b>  |                                 |                                    |
| <b>Segment operating liabilities</b>  | <b>1,156,491</b>                | <b>1,191,314</b>                   |
| Other financial payables  | 3,893,277                       | 3,928,034                          |
| Trade payables to Directors   | 3,194                           | 6,439                              |
| Deferred tax assets   | 597,544                         | 594,623                            |
| Derivative financial instruments  | 13,890                          | 32,581                             |
| <b>Operating liabilities of the Group</b>   | <b>5,664,396</b>                | <b>5,752,991</b>                   |

**Geographical information**

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

| <i>In thousands of soles</i>  | <b>As of March 31,<br/>2022</b> | <b>As of March 31,<br/>2021</b> |
|---|---------------------------------|---------------------------------|
| <b>Income of customers</b>  |                                 |                                 |
| Peru  | 890,448                         | 735,336                         |
| United States   | 210,835                         | 152,143                         |
| Ecuador   | 158,419                         | 136,010                         |
| Chile   | 109,352                         | 57,857                          |
| Colombia  | 5,239                           | 5,613                           |
| <b>Total revenue under consolidated statement of profit or loss</b> | <b>1,374,293</b>                | <b>1,086,959</b>                |

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| <i>In thousands of soles</i>   | <b>As of March 31,<br/>2022</b> | <b>As of December 31,<br/>2021</b> |
|--|---------------------------------|------------------------------------|
| <b>Non-current assets</b>  |                                 |                                    |
| Peru   | 6,437,281                       | 6,513,777                          |
| United State of America  | 1,547,386                       | 1,657,841                          |
| Ecuador  | 794,202                         | 859,158                            |
| Chile  | 320,713                         | 298,563                            |
| Colombia   | 28,943                          | 29,697                             |
| <b>Total non-current assets under consolidated statement of financial position</b> | <b>9,128,525</b>                | <b>9,359,036</b>                   |

**27. Subsequent events**

In a non-face-to-face Board Meeting held on April 27, 2022, the Company approved the distribution of a dividend for approximately S/ 54,201,773.13 on a total of 1,806,725,771 shares representing the Share Capital (nominal value S/.1.00 each, excluding the 11,401,840 shares held in treasury to date), charged to Retained Earnings as of December 31, 2014.