

UNACEM CORP S.A.A. and Subsidiaries

UNAUDITED Interim Consolidated
Financial Information as of June 30,
2023 and December 31, 2022.



UNACEM CORP S.A.A.
Statement of Financial Position
For the periods ended June 30, 2023 and December 31, 2022
(In thousands of Soles)

	Notes	As of June 30, 2023	As of December 31, 2022
Assets			
Current Assets			
Cash and cash equivalents	5	323,557	334,845
Other Financial Assets		-	5,012
Trade Accounts Receivable and other accounts receivable		839,930	800,733
Trade Accounts Receivable , net	6	712,387	660,837
Other Accounts Receivable , net	6	70,787	82,063
Accounts Receivable from Related Companies	6	37,808	39,191
Advanced payments	6	18,948	18,642
Inventories	7	963,329	851,645
Biological Assets		-	-
Assets by Income Taxes	6	28,791	33,596
Other Non-Financial Assets		60,661	29,848
Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners		2,216,268	2,055,679
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		-	-
Non-current assets or groups of assets for disposal Classified as Held for Sale or Held for distribution to owners		-	-
Total Current Assets		2,216,268	2,055,679

Non-Current Assets			
Other Financial Assets		-	-
Investments in subsidiaries, joint ventures and associates		27,991	23,734
Trade Accounts Receivables and other accounts receivables		182,346	83,245
Trade Accounts Receivable		-	-
Other Accounts Receivable	6	160,656	83,245
Accounts Receivable from Related companies		-	-
Advanced payments	6	21,690	-
Biological Assets		-	-
Investment Property		-	-
Property, Plant and Equipment , net	9	7,612,445	7,473,383
Intangible Assets , net	10	286,766	229,189
Assets Deferred Income Tax	14	332,005	207,455
Surplus value	11	1,173,978	1,176,605
Other Assets		188,033	139,782
Total Non-current Assets		9,803,564	9,333,393

TOTAL ASSETS	12,019,832	11,389,072
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	Notes	As of June 30, 2023	As of December 31, 2022
Liabilities and Stockholders' Equity			
Current Liabilities			
Other Financial Liabilities	12	1,729,409	1,106,529
Trade accounts payable and other payable accounts		950,745	981,650
Trade Accounts Payable	13	621,855	677,093
Other Accounts Payable	13	299,261	269,127
Accounts payable to related companies	13	23,630	28,812
Deferred Income		5,999	6,618
Provision for Employee Benefits		-	-
Other provisions		44,152	81,072
Income tax liabilities		44,666	182,893
Other non-financial liabilities		14,103	8,024
Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale		2,783,075	2,360,168
Liabilities included in asset groups classified as held for sale		-	-
Total Current Liabilities		2,783,075	2,360,168

Non-Current Liabilities			
Other Financial Liabilities	12	2,514,060	2,629,349
Trade accounts payable and other payable accounts		174,324	28,534
Trade Accounts Payable	13	4,762	-
Other Accounts Payable	13	169,562	28,534
Accounts payable to related companies		-	-
Deferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		80,634	71,559
Liabilities Deferred Income Taxes	14	574,702	585,180
Other non-financial liabilities	8(b)y23.A	95,568	17,474
Total Non-Current Liabilities		3,439,288	3,332,096
Total Liabilities		6,222,363	5,692,264

Stockholders' Equity			
Capital Issued	15	1,818,128	1,818,128
Issuance Premiums	15	-38,019	-38,019
Investment shares		-	-
Treasury Shares in portfolio	15	-21,390	-23,530
Other Capital Reserves	15	363,626	363,626
Accrued Results	15	3,226,071	2,949,002
Other Equity Reserves	15	256,838	341,444
Shareholders' equity attribute to the owners of the Parent		5,605,254	5,410,651
Non Controlling interest		192,215	286,157
Total Stockholders' Equity		5,797,469	5,696,808

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	12,019,832	11,389,072
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UNACEM CORP S.A.A. AND SUBSIDIARIES

Income Statement

For the periods ended June 30, 2023 and 2022

(In thousands of Soles)

	Notes	For the specific quarter from April 1, to June 30, 2023	For the specific quarter from April 1, to June 30, 2022	For the cumulative period from January 1st to June 30, 2023	For the cumulative period from January 1st to June 30, 2022
Incomes from ordinary activities	16	1,558,599	1,429,573	2,968,128	2,803,866
Cost of Sales	17	-1,165,429	-1,055,955	-2,171,308	-2,012,587
Profit (Loss) Gross		393,170	373,618	796,820	791,279
Selling Expenses and distribution		-28,901	-30,070	-54,844	-54,365
Administrative expenses	18	-116,002	-95,408	-217,523	-191,780
Profit (Loss) in the write-off of financial assets carried at amortized cost		-	-	-	-
Other Operating Income		20,025	15,085	30,032	22,481
Other Operating Expenses		-30,286	-26,392	-46,660	-32,875
Other profit (loss)		-	-	-	-
Profit (Loss) from operating activities		238,006	236,833	507,825	534,740
Financial Income		4,452	328	8,801	6,411
Financial Expenses	19	-74,257	-47,392	-128,362	-93,903
Exchange differences, net		16,000	-18,526	31,192	23,578
Share of Profit (Loss) in net results from Equity-Accounted Joint Ventures and related companies		834	1,228	1,930	1,709
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		-	-	-	-
Gains before Income tax		185,035	172,471	421,386	472,535
Income tax expenses	14(a)	-56,480	-61,641	-122,200	-170,257
Profit (Loss) Net of Continued Operations		128,555	110,830	299,186	302,278
Profit (loss) net of the tax to the profit from discontinued operations		-	-	-	-
Profit (loss) net of the year		128,555	110,830	299,186	302,278
Profit (Loss) net, attributable to :					
Owners of the Parent		123,882	76,467	288,423	251,204
Non-controlling interest		4,673	34,363	10,763	51,074
Net Profit (Loss) of the Year		128,555	110,830	299,186	302,278



UNACEM CORP S.A.A. AND SUBSIDIARIES
Statement of Comprehensive Income
For the periods ended June 30, 2023 and 2022
(In Thousands of Soles)

Notes	For the specific quarter from April 1, to June 30, 2023	For the specific quarter from April 1, to June 30, 2022	For the cumulative period from January 1st to June 30, 2023	For the cumulative period from January 1st to June 30, 2022
Net Profit (Loss) of the year	128,555	110,830	299,186	302,278
Components of other comprehensive income:				
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	-	-	-	-
Other Comprehensive Income Pre Tax	-	-	-	-
Income tax relating to components of other comprehensive income				
Net Change for Cash Flow Hedges	734	9,866	150	21,458
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	-76,618	30,954	-87,558	-89,924
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	-	-	-	-
Sum of Income Tax-Related Components of other comprehensive income	-75,884	40,820	-87,408	-68,466
Other Comprehensive Income	-75,884	40,820	-87,408	-68,466
Total Comprehensive Income for the period , net of income tax	52,671	151,650	211,778	233,812
Comprehensive Income attributable to:				
Owners of the Parent	50,547	117,170	203,817	183,139
Non-controlling interest	2,124	34,480	7,961	50,673
Total Comprehensive Income of the Year, net	52,671	151,650	211,778	233,812



UNACEM CORP S.A.A. AND SUBSIDIARIES

Statement of Cash Flow

Direct Method

For the periods ended June 30, 2023 and 2022

(In thousands of Soles)

	Notes	As of January 1st, 2023 to June 30, 2023	As of January 1st, 2022 to June 30, 2022
Operating activities cash flows			
Types of cash collections from operating activities			
Sale of Goods and Services		3,929,701	3,158,924
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		15,694	-
Types of cash collections from operating activities			
Suppliers of goods and services		-2,902,774	-1,869,812
Contracts held for brokering or trading purposes		-	-
cash payments to and on behalf of employees		-436,588	-417,040
Elaboration or acquisition of assets to be leased and other assets held for sale		-	-
Other Cash Payments Related to Operating Activity		-143,503	-232,460
Cash flows and cash equivalents from (used in) Operating Activities		462,530	639,612
Interests received (not included in the Investment Activities)		-	-
Interests paid (not included in the Investment Activities)		-94,091	-83,970
Dividends Received (not included in the Investment Activities)		-	-
Dividends Paid (not included in the Investment Activities)		-	-
Income tax (paid) reimbursed		-271,067	-180,572
Other cash collections (payments)		-	-
Cash flows and cash equivalents from (used in) Operating Activities		97,372	375,070
Cash flows from Investment activities			
Type of cash collections from investment activities			
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		16,144	10,130
Sale of intangible assets		-	-
Sale of other long- term assets		-	-
Government Subventions		-	-
Interests received		-	-
Dividends received		1	4
Type of cash payments from investment activities		-	-
Advances and loans granted to third parties			
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	1.B.3	27,926	-
Purchase of Property, Plant and Equipment	9(b)	-223,846	-151,343
Purchase of intangible assets		-11,949	-2,458
Purchase of other long- term assets		-	-
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to Investment activities		3,703	-3,585
Cash flows and cash equivalents from (used in) Investing activities		-188,021	-147,252
Cash flows from Financing activities			
Type of cash collections from financing activities			
Loan securing		1,261,471	650,174
Changes to the subsidiaries ownership interest not resulting in the loss of control		-	-
Share issuance		-	-
Issuance of other Equity Instruments		-	-
Government Subventions		-	-
Type of cash payments from financing activities			
Loan Amortization or Repayment		-1,064,850	-719,137
Leasing liabilities		-4,617	-4,994
Changes to the subsidiaries ownership interest not resulting in the loss of control		-14,621	-48
Redemption or repurchase of the entities' shares (Shares in the portfolio)		2,140	-11,272
Acquisition of other equity interest		-	-
Interests paid		-	-
Dividends paid		-85,055	-174,727
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to financing activities		-	-38
Cash flows and cash equivalents from (used in) financing activities		94,468	-260,042
Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates		3,819	-32,224
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		-15,107	-10,959
Increase (Decrease) in Net Cash and Cash Equivalents		-11,288	-43,183
Cash and cash equivalents at beginning of year		334,845	399,755
Cash and cash equivalents at end of year	5	323,557	356,572



UNACEM CORP S.A.A. AND SUBSIDIARIES
Statement of change in Stockholder's Equity
 For the periods ended June 30, 2023 and 2022
 (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
Balance as of January 1, 2022	1,818,128	-38,019	-	-11,610	363,626	2,556,053	-23,660	-	-	430,200	-	-	-	-	-	406,540	5,094,718	275,589	5,370,307
1. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Restated Initial Balance	1,818,128	-38,019	-	-11,610	363,626	2,556,053	-23,660	-	-	430,200	-	-	-	-	-	406,540	5,094,718	275,589	5,370,307
4. Changes in Stockholders' Equity:																			
5. Comprehensive Income:																			
6. Gain (Loss) for the year						251,204											251,204	51,074	302,278
7. Other Comprehensive Income:							18,364			-86,429						-68,065	-68,065	-401	-68,466
8. Comprehensive Income - Total year						251,204	18,364			-86,429						-68,065	183,139	50,673	233,812
9. Cash Dividends Declared						-90,396											-90,396	-9,786	-100,182
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						-91											-91	43	48
15. Increase (decrease) for transactions with Treasury Shares in Portfolio				-11,272													-11,272		-11,272
16. Increase (Decrease) for Transfer and other Equity Changes						-4,000											-4,000	-3,222	-7,222
Total Equity Increase (decrease)				-11,272		156,717	18,364			-86,429						-68,065	77,380	37,708	115,088
Balance as of June 30, 2022	1,818,128	-38,019	-	-22,882	363,626	2,712,770	-5,296	-	-	343,771	-	-	-	-	-	338,475	5,172,098	313,297	5,485,395
Balance as of January 1, 2023	1,818,128	-38,019	-	-23,530	363,626	2,949,002	-1,737	-	-	343,181	-	-	-	-	-	341,444	5,410,651	286,157	5,696,808
1. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Restated Initial Balance	1,818,128	-38,019	-	-23,530	363,626	2,949,002	-1,737	-	-	343,181	-	-	-	-	-	341,444	5,410,651	286,157	5,696,808
4. Changes in Stockholders' Equity:																			
5. Comprehensive Income:																			
6. Gain (Loss) for the year						288,423											288,423	10,763	299,186
7. Other Comprehensive Income:							193			-84,799						-84,606	-84,606	-2,802	-87,408
8. Comprehensive Income - Total year						288,423	193			-84,799						-84,606	203,817	7,961	211,778
9. Cash Dividends Declared						-72,205											-72,205	-14,894	-87,099
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						65,460											65,460	-83,717	-18,257
15. Increase (decrease) for transactions with Treasury Shares in Portfolio				2,140													2,140		2,140
16. Increase (Decrease) for Transfer and other Equity Changes						-4,609											-4,609	-3,292	-7,901
Total Equity Increase (decrease)				2,140		277,069	193			-84,799						-84,606	194,603	-93,942	100,661
Balance as of June 30, 2023	1,818,128	-38,019	-	-21,390	363,626	3,226,071	-1,544	-	-	258,382	-	-	-	-	-	256,838	5,605,254	192,215	5,797,469

1. Company Details

A. Company Details and Economic Activity

UNACEM CORP S.A.A. (hereinafter, the “Company”) was incorporated in December 1967. As explained in more detail in Note 2 (vii), on December 14, 2021, the Company’s Shareholders’ Meeting approved the Reorganization of the Company, which became effective on January 1, 2022.

The main purpose of the Group is to engage in the production and commercialization of all types of cement, clinker and concrete in the Peruvian, United States, Ecuador and Chilean markets, mainly; as well as the sale of electricity and power in the Peruvian market.

As of June 30, 2023 and December 31, 2022, the Company is a subsidiary of INVERSIONES JRPR S.A. (hereinafter, “the Parent Company” and ultimate parent of the economic group), which owns a 42.22% direct and indirect interest in its capital stock. Likewise, INVERSIONES JRPR S.A. has controlling powers to direct the financial and operating policies of the Company.

The registered office of the Company is Av. Carlos Villarán 508, District of La Victoria, Lima, Peru.

The consolidated financial statements of the Company and its subsidiaries (the “Group”) as of the second quarter of fiscal year 2023 have been issued with the authorization of the Management. The consolidated financial statements for fiscal year 2022 were approved at the Shareholders’ Meeting held on March 30, 2023.

B. Acquisitions

B.1 CONSTRUCTORA DE OBRAS CIVILES Y VIALES LIMITADA (CONOVIA)

On November 21, 2022, subsidiaries UNICON CHILE S.A. and UNACEM CHILE S.A. (the “Purchasers”) entered into an agreement with INVERSIONES BEFELD LIMITADA and INVERSIONES MAJAS LIMITADA (the “Sellers”) for the acquisition of 100% of the ownership interest in CONSTRUCTORA DE OBRAS CIVILES Y VIALES LIMITADA (CONOVIA); and on the same date the Group took control of said company.

Accordingly, the Group acquired 100% of the direct and indirect interest of the shares of stock of CONOVIA, a company domiciled in Chile, which is engaged in the crushing of aggregate material extracted from the river and the sale of finished products on its own account or on behalf of third parties, as well as the marketing, purchase, sale and distribution of such material.

CONOVIA has an aggregates plant named “Tabolango” located in Tabolango, district of Limache, Valparaíso Region in Chile, with an annual production capacity of 0.15 million m³.

The total amount of the transaction was USD 3,763,000 (equivalent to PEN 14,429,000), fully paid by the purchasers.

The Group acquired CONOVIA as part of its strategy to consolidate and diversify its cement, concrete, and precast operations in the region. It also seeks to generate synergies, optimize costs, and share engineering expertise among the countries.

From the acquisition date to December 31, 2022, the acquired entity contributed revenues in the amount of PEN 620,000 and net profits for PEN 264,000 to the Group’s income. Had the acquisition occurred on January 1, 2022, the Group’s Management estimates that consolidated revenues would have been PEN 4,708,000 and the consolidated net profit for the year would have been PEN 1,515,000. In determining these amounts, the Management has assumed that fair value adjustments, which arose on the acquisition date, would have been the same if the acquisition had occurred on January 1, 2022.

UNACEM CORP S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

June 30, 2023 and December 31, 2022

B.2 Purchase of DRAKE CEMENT shares

Pursuant to the Addendum 3 to DRAKE CEMENT's Restated Limited Liability Company Operating Agreement dated September 1, 2007, SKANON has the option to purchase the non-controlling interest in DRAKE CEMENT. Effective January 1, 2009, SKANON has the option, but not the obligation, to purchase the minority shareholders' interest at any time at fair value. The fair value shall be determined by mutual agreement of the members at the Shareholders' Meeting. During 2022, the Group purchased a minority interest in DRAKE CEMENT, as shown in note 2(ii) (a).

B.3 TERMOCHILCA S.A. (TERMOCHILCA)

On December 29, 2022, the subsidiary COMPAÑÍA ELÉCTRICA EL PLATANAL S.A. (CELEPSA) was notified of the approval of the offer made for the acquisition of the shares and creditor's claims of TERMOCHILCA S.A., a power generation company with a combined cycle thermal power plant located in the District of Chilca, Province of Cañete, with an installed capacity of 300 MW.

Moreover, on December 30, 2022, CELEPSA entered into a Share Transfer Agreement with FIDUCIARIA S.A., acting in the name, place and stead of Trust Estate No. G00-3-1211-0488, whereby CELEPSA shall acquire, subject to the authorization of the National Institute for the Defense of Free Competition and the Protection of Intellectual Property (INDECOPI), in compliance with the applicable regulations, 100% of the shares of stock of TERMOCHILCA S.A.

CELEPSA maintained its commitment to acquire, together with the aforementioned shares, 100% of the secured debts (senior debt and subordinated bonds) of TERMOCHILCA S.A. in accordance with the sale procedure regulated in the trust agreement of the referred Trust Estate.

On April 20, 2023, CELEPSA was authorized by INDECOPI to carry out the business concentration operation with TERMOCHILCA S.A. and, on May 8, 2023, the transaction was closed.

Therefore, the Group acquired 100% of TERMOCHILCA's equity interest.

The total agreed price was USD 141,000,000, to be paid directly by CELEPSA, partially with its own resources and partially with resources from financing operations. As of June 30, 2023, the balance payable amounts to USD 41,000,000, see note 13.

The Group acquired TERMOCHILCA, as part of its strategy to diversify the energy business, in addition to mitigating its vulnerability to hydrological seasonality and climate dependence. With the addition of this company to the portfolio, the Group's positioning in the Peruvian electricity market was strengthened.

As of June 30, 2023, the Group's Management has made its best estimate with respect to this operation generating a goodwill of approximately PEN 56,000; however, according to IFRS 3, the Group's Management has a period of one (1) year from the acquisition date to establish the final fair values of identifiable assets and liabilities of this cash-generating unit on the acquisition date.

B.4 Other relevant events in 2023

In June 2023, the Company has been notified by INDECOPI on the authorization of the business concentration operation consisting of the incorporation of a new company between UNACEM CORP. S.A.A., with 51% of the capital stock, and GRUPO CALIDRA S.A. DE C.V., a Mexican company, with the remaining share.

The purpose of the new company will be to build and operate an industrial plant in the Condorcocha area, province of Tarma, department of Junin, for the production of quicklime and calcium carbonates, with an initial capacity of 600 tons of quicklime per day. This project has an estimated total investment of USD 40 million. Construction of the plant will begin in the fourth quarter of this year and it will start operations in the first half of 2025. The Company's investment will be covered with its own resources and local bank financing.

UNACEM CORP S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

June 30, 2023 and December 31, 2022

2. Information on the Structure of Subsidiaries

As of June 30, 2023 and December 31, 2022, the consolidated financial statements of the Group include the following subsidiaries (figures according to IFRS and before consolidation eliminations):

In thousands of Soles	Entity	Main Economic Activity	2023		2022		Assets		Liabilities		Equity		Profit (loss) (ix)	
			Direct (%)	Indirect (%)	Direct (%)	Indirect (%)	2023	2022	2023	2022	2023	2022	2023	2022
Country of incorporation (viii)														
Peru	UNACEM PERÚ S.A.-UNACEM Peru (vii)	Production and sale of cement	99.99	0.01	99.99	0.01	4,746,097	4,721,849	2,260,444	2,370,281	2,485,653	2,351,568	199,061	218,130
Peru/Ecuador	INVERSIONES IMBABURA S.A. and Subsidiaries (i)	Production and sale of cement	100.00	-	100.00	-	2,096,126	2,111,268	447,031	479,659	1,649,095	1,631,609	25,452	23,508
United States	SKANON INVESTMENTS INC. and Subsidiaries (ii)	Production and sale of cement and concrete	95.85	-	95.84	-	1,881,970	1,914,037	868,540	831,985	1,013,430	1,082,052	5,443	31,985
Peru	COMPANÍA ELÉCTRICA EL PLATANAL S.A. and Subsidiaries (iii)	Sale of energy and power	90.00	-	90.00	-	1,875,808	1,202,940	1,027,183	378,617	848,625	824,323	49,227	50,687
Peru/Chile	INVERSIONES EN CONCRETO Y AFINES S.A. and Subsidiaries (iv)	Sale of concrete and ready-mix concrete	93.38	-	93.38	-	934,734	1,001,972	520,167	583,918	414,567	418,054	2,360	(1,003)
Chile	UNACEM CHILE S.A. and Subsidiary (vi)	Cement and concrete	99.89	0.11	99.89	0.11	335,188	305,998	232,567	206,526	102,621	99,472	1,370	(14,715)
Peru	INVERSIONES NACIONALES Y MULTINACIONALES S.A. – INMA	Real estate business	99.77	0.23	99.77	0.23	128,096	120,730	35,937	27,496	92,159	93,234	(1,061)	(374)
Chile	PREFABRICADOS ANDINOS S.A.- PREANSA Chile	Production and sale of precast concrete products	50.00	-	50.00	-	120,100	109,860	110,861	96,595	9,239	13,265	(3,020)	(4,411)
Peru/Colombia	PREFABRICADOS ANDINOS PERÚ S.A.C. and Subsidiary (v)	Production and sale of precast concrete products	50.00	-	50.00	-	59,322	55,592	53,159	50,679	6,163	4,913	319	(430)
Peru	ARPL TECNOLOGÍA INDUSTRIAL S.A. - ARPL	Technology advisory and support services	100.00	-	100.00	-	57,045	61,189	15,101	11,420	41,944	49,769	5,598	4,762
Peru	GENERACIÓN ELÉCTRICA DE ATOCONGO S.A. – GEA	Thermal power plant operation services	99.85	0.15	99.85	0.15	21,459	26,746	20,206	25,347	1,253	1,399	(146)	254
Peru	MINERA ADELAIDA S.A. - MINERA	Mining of non-ferrous metal ores	100	-	100.00	-	28,966	28,581	3,707	1,753	25,259	26,828	(1,564)	(40)
Peru	VIGILANCIA ANDINA S.A. – VASA	Surveillance services	55.50	44.50	55.50	44.50	14,195	12,206	6,169	4,440	8,026	7,766	272	609
Peru	DEPÓSITO ADUANERO CONCHÁN S.A. – DECOÑA	Warehousing services	99.99	-	99.99	-	2,107	2,069	891	939	1,216	1,130	86	81
Peru	DIGICEM S.A. (formerly TRANSPORTES LURÍN S.A.) – DIGICEM	IT Services	99.99	-	99.99	-	30,107	16,306	33,446	16,199	(3,339)	107	(3,324)	(8)
Peru	NAVIERA CONCHÁN S.A. - NAVIERA	Services	100.00	-	100.00	-	16	14	22	14	(6)	-	(6)	(9)

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- (i) The subsidiaries of INVERSIONES IMBABURA S.A. (IMBABURA) are UNACEM ECUADOR S.A. (UNACEM Ecuador), and CANTERAS Y VOLADURAS S.A. (CANTYVOL).

By means of Shareholders' Meeting held on May 10, 2021, UNICON Peru approved the sale of 100% of its shares in UNICON Ecuador in favor of IMBABURA for approximately PEN 51,114,000 (equivalent to USD 13,000,000). Additionally, on July 9, 2021, the merger of UNACEM Ecuador as the merging company and UNICON Ecuador as the merged company was approved by the Superintendency of Companies of Ecuador on December 12, 2022 and registered with the Registry of Companies of Ecuador on January 31, 2023. Consequently, the merger became effective on February 1, 2023.

- (ii) The main subsidiaries of SKANON INVESTMENTS INC. (SKANON) are DRAKE CEMENT LLC, SUNSHINE CONCRETE & MATERIALS INC, MARICOPA READY MIX LLC, DESERT READY MIX (DRM) and DESERT AGGREGATES (DA).

- (a) SKANON had the option to purchase a minority interest in DRAKE CEMENT. Therefore, as of December 31, 2022, SKANON exercised this option, acquiring a 4.348% minority interest for approximately USD 6,500,000 (equivalent to PEN 24,947,000). Accordingly, its controlling interest in DRAKE CEMENT's capital stock increased from 94.04% to 98.39%. As of June 30, 2023, the price was paid in full, as shown in note 13.

(b) *Interests in consolidated structured entities*

- Until December 31, 2022, DRM was a consolidated structured entity through which SKANON conducted its ready-mix concrete and aggregates operations in the city of Phoenix, United States of America. The initial capitalization and operating expenses of DRM were financed by SKANON.

In July 2014, SKANON began providing financing to DRM in the amount of USD 1,750,000 for working capital purposes and an additional USD 1,750,000 for raw material purchases. In conjunction with the financing provided, an exclusive option agreement was executed granting SKANON the irrevocable and exclusive right to convert the unpaid portion of the financing provided into a 70% controlling interest in DRM, at SKANON's sole discretion. SKANON and DRM also entered into an operating agreement whereby SKANON would provide DRM with technical and commercial support, short-term financing and other services. DRM's shareholders pledged their interest as collateral in the event DRM fails to meet its obligations under the above-mentioned agreement. Furthermore, in May 2018, an agreement was reached whereby SKANON has the option to acquire the remaining 30% of DRM's shareholding interest.

During 2023, SKANON exercised its call option, effective as from January 1, 2023, to acquire a 70% interest in DESERT READY MIX, LLC at a price equal to the outstanding debt plus accrued interest, in the amount of USD 5,243,000 (equivalent to PEN 20,029,000). Also, in March 2023, SKANON acquired an additional 15% in DRM for approximately USD 4,881,614 (equivalent to PEN 18,575,000), thus controlling 85% of DRM. As of June 30, 2023, the price for the acquisition of the 15% shareholding interest in DRM was paid in full.

- Until December 31, 2022, DA was a consolidated structured entity whereby STATEN ISLAND COMPANY, INC. conducted its concrete and aggregates operations in Maricopa County, Arizona State, United States of America.

During fiscal year 2019, SIC began providing financing to DA for the purchase of land in Arizona City. In conjunction with the financing provided, an exclusive option agreement was entered into granting SKANON the irrevocable and exclusive right to convert the unpaid portion of the financing provided into a 100% controlling interest in DA, at SKANON's sole discretion. In addition, SKANON and DA entered into an operating agreement whereby SKANON will provide DA with technical and commercial support, short-term financing and other services. DA's

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shareholders pledged their interest as collateral in the event DA fails to meet its obligations under the above-mentioned agreement.

During fiscal year 2023, SKANON exercised its call option, effective January 1, 2023, to acquire a 100% interest in DESERT AGGREGATES, LLC at a price equal to the outstanding debt plus accrued interest, for USD 4,737,000 (equivalent to PEN 18,094,000).

- (iii) COMPAÑÍA ELÉCTRICA EL PLATANAL S.A. (CELEPSA) has the following subsidiaries: AMBIENTAL ANDINA S.A.C, CELEPSA RENOVABLES S.R.L. (CERE), ECORER S.A.C. and TERMOCHILCA S.A. TERMOCHILCA S.A. was acquired on May 2023, see note 1.B.3 for further information.
- (iv) The subsidiary of INVERSIONES EN CONCRETO Y AFINES S.A. (INVECO) is UNIÓN DE CONCRETERAS S.A. (UNICON Peru), which in turn has the following subsidiaries: CONCREMAX S.A., UNICON CHILE S.A. and ENTREPISOS LIMA S.A.C.
- (v) The subsidiary of PREANSA Peru is PREFABRICADOS ANDINOS COLOMBIA S.A.S.
- (vi) The subsidiary of UNACEM Chile is INVERSIONES MEL 20
- (vii) The Shareholders' Meeting held on December 14, 2021 by UNACEM S.A.A. (Currently UNACEM Corp), approved the Reorganization of the entity, which became effective on January 1, 2022. The reorganization project involved the segregation of three equity blocks that were contributed by the Company to three wholly-owned subsidiaries, without changes in the Company's capital stock or in the control unit. The three contributed subsidiaries are UNACEM PERU S.A., MINERA ADELAIDA S.A. and INVERSIONES NACIONALES Y MULTINACIONALES ANDINAS S.A. (INMA).
- (viii) The subsidiaries and other investees have their principal place of business in the country where they are incorporated.
- (ix) Balances as of June 30, 2023 compared to balances as of June 30, 2022.

3. Summary of Significant Accounting Policies

A. Basis of Preparation and Presentation

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), effective as of June 30, 2023 and December 31, 2022.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and retirement and termination benefits, which have been measured at fair value. The consolidated financial statements are presented in Soles and all amounts have been rounded to thousands (PEN 000), except as otherwise indicated.

The interim consolidated financial statements provide comparative information with respect to prior periods. However, they do not include all the information and disclosures required in the annual consolidated financial statements. Therefore, they should be read in conjunction with the audited consolidated report as of and for the year ended December 31, 2022.

The Group has prepared its consolidated financial statements on a going concern basis. In making its going concern assessment, the Group's Management has taken into consideration matters that could cause a disruption to its operations. The Group's Management has considered all future available information that it has obtained after the reporting date up to the date of approval and issuance of the consolidated financial statements.

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B. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its Subsidiaries as of June 30, 2023 and December 31, 2022.

The control criteria taken into consideration by the Group are described in the note to the audited consolidated financial statements as of December 31, 2022.

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, 2022.

4. Accounting Pronouncements Issued Not Yet Effective

The Group has not previously adopted any other standards, interpretations or amendments that have been issued but are not effective yet.

5. Cash and Cash Equivalents

This caption comprises the following:

<i>In thousands of Soles</i>	As of June 30, 2023	As of December 31, 2022
Checking and savings accounts (a)	219,969	239,654
Time deposits (b)	101,353	93,614
Fixed funds	2,235	1,577
	323,557	334,845

- (a) Checking and savings accounts are in local and foreign currency, held with local and foreign banks with a high credit rating and are freely available. These accounts accrue interest at market rates.
- (b) Time deposits are held in local and foreign financial institutions, mainly in local and foreign currency, which accrue interest at market rates and have original maturities of less than three (3) months.

6. Trade and Other Accounts Receivables, Net

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	Current		Non-current	
		As of June 30, 2023	As of December 31, 2022	As of June 30, 2023	As of December 31, 2022
Trade Receivables					
Invoices and bills receivable (a)		638,381	608,643	21,890	19,030
Provision for invoices receivable		98,912	74,032	-	-
		737,293	682,675	21,890	19,030
Related Receivables					
Trade Accounts Receivable	20(b)	37,808	39,191	-	-
Miscellaneous Receivables					
Advances to Suppliers		18,948	18,642	21,690	-
Claims to the Tax Authority (b)		18,336	17,835	72,088	72,088
Personnel loans		10,399	9,949	-	-
Claims to third parties		3,900	5,195	2,800	2,800
Derivative financial instruments	23.A.i.	-	-	4,835	4,063
Other Accounts Receivable		15,305	18,047	3,090	3,110
		66,888	69,668	104,503	82,061
Taxes					
Payments on account of income tax on profits		28,791	33,596	-	-
Tax credit in respect of value added tax (c)		31,243	39,490	77,843	1,184
		60,034	73,086	77,843	1,184
		902,023	864,620	204,236	102,275
Minus - Expected credit loss (d)		(33,302)	(30,291)	(21,890)	(19,030)
		868,721	834,329	182,346	83,245

(a) Trade receivables are mainly in local and foreign currency, have current maturities and do not accrue interest. Bills receivable have current maturity and accrue interest calculated at current market rates.

(b) As of June 30, 2023 and December 31, 2022, the balance corresponds to claims filed with the Tax Authority, mainly related to mining royalties, penalties for advance payments, claims for payment of interest, among others, see note 22.D.

In the opinion of the Group's Management and its legal advisors, it is estimated that there are sufficient legal arguments to obtain a favorable recovery of the short- and long-term claims.

(c) As of June 30, 2023, the balance corresponds mainly to the tax credit in respect of value added tax generated mainly by the subsidiaries TERMOCHILCA and UNACEM CHILE. As of December 31, 2022, it corresponds mainly to the tax credit in respect of value added tax generated mainly by the subsidiaries UNACEM CHILE and UNACEM PERU S.A.

(d) In the opinion of the Group's Management, the estimated expected credit loss adequately hedges the bad debt risk as of June 30, 2023 and December 31, 2022.

(e) As of June 30, 2023 and December 31, 2022, the Group performed the assessment of the exposure to credit risk on trade receivables, see note 23.B.

7. Inventories, Net

This caption comprises the following:

<i>In thousands of Soles</i>	As of June 30, 2023	As of December 31, 2022
Products in process	317,952	217,903
Spare parts and supplies	301,433	298,151
Raw and auxiliary materials	271,952	236,334
Containers and packaging	44,369	64,304
Finished products	37,723	55,693
Inventories receivable	9,574	10,126
	983,003	882,511
Provision for inventory obsolescence (a)	(19,674)	(30,866)
	963,329	851,645

- (a) In the opinion of the Group's Management, the provision for inventory obsolescence adequately hedges the obsolescence risk as of June 30, 2023 and December 31, 2022.

8. Right-of-Use Assets and Lease Liabilities, Net

- (a) As of June 30, 2023 and December 31, 2022, the net book value of lease assets amounts to approximately PEN 84,755,000 and PEN 21,640,000, respectively.

- (b) Below is a detail of the balances of lease assets:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of December 31, 2022
Classification according to maturity			
Current		14,103	8,024
Non-current		93,953	14,221
		108,056	22,245

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

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of June 30, 2022
Cost of Sales	17	6,834	4,337
Administration Expenses	18	364	363
Selling Expenses		94	28
		7,292	4,728

- (d) As of June 30, 2023 and December 31, 2022, the Group only has fixed-payment lease agreements.

9. Mining Concessions, Properties, Plant and Equipment, Net

This caption comprises the following components and changes:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of December 31, 2022
Cost			
Opening Balance		12,302,409	12,047,399
Additions (b)		272,396	529,531
Acquisition of subsidiary (c)		599,000	7,458
Withdrawals, sales and other		(62,727)	(113,742)
Translation effect		(164,097)	(168,237)
Closing Balance		12,946,981	12,302,409
Accumulated Depreciation			
Opening Balance		4,829,026	4,544,542

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Depreciation for the period (e)	232,553	448,002
Acquisition of subsidiary (c)	396,910	-
Withdrawals and others	(56,499)	(103,002)
Translation effect	(67,454)	(60,516)
Closing Balance	5,334,536	4,829,026
Net carrying amount	7,612,445	7,473,383

(a) As of June 30, 2023, the carrying amount of assets acquired under leases and leasebacks amounted to approximately PEN 123,827,000 (PEN 135,686,000 as of December 31, 2022). Leased assets secure finance lease liabilities, see note 12(e).

(b) Additions during 2023 correspond mainly to:

- i. Additions of the subsidiary UNACEM PERU due to disbursements made for the projects of the Furnace 3 cooler dedusting system of the Condorcocha plant. Moreover, the expansion of packaging and product delivery capacity is still in progress in both plants: Atocongo and Condorcocha. The total amount of the aforementioned projects is approximately PEN 44,408,000.
- ii. Additions of the subsidiary DRAKE CEMENT due to disbursements made for the following projects: for the integral mill project and improvements to the raw mill, rolling press, clinker cooler repairs and mechanical workshop for approximately USD 14,181,000 (equivalent to PEN 51,393,000), and the purchase of machinery and equipment for approximately USD 2,994,000 (equivalent to PEN 10,851,000).
- iii. Additions of works in progress of the subsidiary UNACEM Ecuador for projects to increase Furnace 1 production capacity and Furnace 1 hydrogen injection for approximately USD 10,332,000 (equivalent to PEN 37,442,000).
- iv. Additions of the subsidiary UNICON PERU due to acquisitions of excavators, mixer, pumps and pickups for approximately PEN 8,784,000.
- v. Additions of the subsidiary INMA due to disbursements for office improvements for approximately PEN 5,815,000.
- vi. Additions of the subsidiary SUNSHINE CONCRETE & MATERIALS INC. for the acquisition of aggregates production equipment for approximately USD 1,255,000 (equivalent to PEN 4,547,000).
- vii. Additions of the subsidiary UNICON CHILE for the acquisition of a new Pan-American plant and improvement of other of its plants for approximately PEN 4,096,000.

Additions during 2022 corresponded mainly to:

- i. Additions of the subsidiary UNACEM Peru due to projects to expand packaging and product delivery capacity in both plants, the optimization of the clinker cooler and dedusting in Furnace 3 at the Condorcocha plant, as well as the following projects at the Atocongo plant: structural reinforcement and improvement of the discharge system, improvements in cement mills and in primary crusher. The aforementioned projects amount to an approximate total of PEN 80,449,000.
- ii. Additions of the subsidiary DRAKE CEMENT due to the integral mill project and improvements to the raw mill and mechanical workshop for approximately USD 21,590,000 (equivalent to PEN 82,214,000).

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- iii. Additions of the subsidiary SUNSHINE CONCRETE & MATERIALS INC. due to the acquisition of aggregates production equipment for approximately USD 8,408,000 (equivalent to PEN 32,018,000).
 - iv. Additions of works in progress of the subsidiary UNACEM ECUADOR due to projects of cement mill reducer 2, Furnace 1 production capacity increase, biomass conditioning for fuel increase, frequency inverter for Furnace 1 and multi-fuel project (phase 2) for approximately USD 6,698,000 (equivalent to PEN 25,507,000).
 - v. Additions of the subsidiary PREANSA Chile due to the mobile plant project for the construction of an industrial bridge for approximately PEN 9,848,000.
 - vi. Additions of the subsidiary UNICON Peru due to: i) acquisitions of mixer trucks for approximately PEN 17,270,000, ii) front loaders for approximately PEN 2,027,000, iii) works in progress for repair of trucks for approximately PEN 5,283,000 and iv) repair and installation of mixing plants for approximately PEN 1,526,000.
 - vii. Additions of the subsidiary UNICON Chile due to acquisitions of mixer trucks, front loaders and crane for approximately PEN 4,731,000 and overhaul of trucks for approximately PEN 6,438,000.
 - viii. Additions of the subsidiary CONCREMAX due to overhaul of trucks and assembly of plants for approximately PEN 9,559,000.
- (c) During 2023 and 2022, they correspond to assets from TERMOCHILCA, see note 1.B.3 and CONOVIA, see note 1.B.1, respectively.
- (d) During 2022, it mainly includes asset retirements made by: (i) subsidiary DRM for sales of mixer trucks and drum mixers, the cost and accumulated depreciation of which amounted to approximately USD 5,552,000 and USD 4,712,000 (equivalent to PEN 21,142,000 and PEN 17,945,000, respectively), (ii) subsidiary DA for sales of machinery and equipment, the cost and accumulated depreciation of which amounted to approximately USD 14,369,000 and USD 12,324,000 (equivalent to PEN 54,715,000 and PEN 46,930,000, respectively) and iii) subsidiary UNICON Peru for sales of mixer trucks and front loaders, the cost and accumulated depreciation of which amounted to approximately PEN 6,396,000 and PEN 6,327,000, respectively.
- (e) Depreciation has been distributed as follows:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of June 30, 2022
Cost of Sales	17	221,814	216,964
Administration Expenses	18	9,034	7,304
Selling Expenses		296	360
Other expenses		1,409	1,750
		232,553	226,378

- (f) The subsidiary SKANON has guarantee contracts regarding the plant, transportation units and equipment located in the United States of America, which secure loans, see note 12(e).

Similarly, the subsidiary UNICON Peru has a mortgage on the Ancieta and Villa El Salvador plants for up to PEN 152,320,000 (equivalent to USD 40,000,000), with SCOTIABANK PERU to secure the loan granted by this financial institution, see note 12(e).

Likewise, the subsidiary UNACEM Chile has a mortgage on the "San Juan" plant, for approximately USD 23,000,000, with BANCO DE CRÉDITO E INVERSIONES DE CHILE (BCI) to secure the loan granted by this financial institution, see note 12(e).

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- (g) The Group maintains insurance policies in force on its main assets, in accordance with the policies established by the Group's Management. In the opinion of the Group's Management, its insurance policies are consistent with international industry practices.
- (h) In the 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 components and changes:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of December 31, 2022
Cost			
Opening Balance		388,615	373,566
Acquisition of Subsidiary	1.B.3	74,451	-
Additions		12,645	22,532
Withdrawals and others		(24)	370
Translation effect		(9,896)	(7,853)
Closing Balance		465,791	388,615
Accumulated Amortization			
Opening Balance		159,426	147,475
Acquisition of Subsidiary	1.B.3	12,764	-
Amortization for the period (a)		7,520	12,345
Translation effect		(685)	(394)
Closing Balance		179,025	159,426
Net carrying amount		286,766	229,189

- (a) The amortization of intangible assets has been distributed as follows:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of June 30, 2022
Cost of Sales	17	3,314	2,683
Administration expenses	18	3,044	2,598
Selling expenses		1,099	1,038
Other expenses		63	44
		7,520	6,363

11. Goodwill

As of June 30, 2023 and December 31, 2022, the balance of goodwill is mainly composed of the higher value paid for the acquisition of UNACEM Ecuador amounting to PEN 1,023,795,000.

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12. Other Financial Liabilities

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023			As of December 31, 2022		
		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bank loans (e)		940,196	1,789,307	2,729,503	640,560	2,197,822	2,838,382
Bank promissory notes (a) and (b)		637,937	315,000	952,937	409,991	-	409,991
Corporate bonds (d)		-	409,753	409,753	17,417	431,527	448,944
Bank overdrafts (c)		151,276	-	151,276	38,561	-	38,561
		1,729,409	2,514,060	4,243,469	1,106,529	2,629,349	3,735,878

- (a) Bank promissory notes correspond mainly to working capital financing with fixed interest rates ranging between 6.19 and 7.87% per annum in U.S. Dollars, and between 8.39 and 8.85% per annum in Soles. They do not have specific guarantees and are renewed depending on the Group's working capital needs. As of June 30, 2023 and December 31, 2022, the balance by bank is composed as follows:

<i>In thousands of Soles</i>	Currency of origin	Maturity	2023	2022
Financial Institution				
BANCO INTERNACIONAL DEL PERÚ S.A.A.	PEN and USD	Between November 2023 and September 2024	475,135	171,900
SCOTIABANK DEL PERÚ	PEN and USD	Between March and August 2024	340,825	-
BANCO DE CRÉDITO DEL PERÚ	PEN and USD	Between March and April 2024	136,977	238,091
			952,937	409,991

- (b) As of June 30, 2023 and December 31, 2022, interest payable on bank commercial papers amounted to approximately PEN 16,519,000 and PEN 9,389,000, respectively, and is recognized in "Trade and Other Accounts Payable" in the consolidated statement of financial position, see note 13. As of June 30, 2023 and 2022, interest expenses amounted to approximately PEN 19,380,000 and PEN 5,014,000, respectively, and are included in the item "Financial expenses" in the consolidated statement of income, see note 19.
- (c) As of June 30, 2023, overdrafts correspond mainly to obligations of UNACEM Peru and SKANON with different financial institutions in Soles and U.S. Dollars for a total of PEN 36,503,000 and USD 31,500,000 (equivalent to PEN 114,440,000), respectively (SKANON's obligations for a total of USD 10,000,000 (equivalent to PEN 38,200,000) as of December 31, 2022).

UNACEM CORP S.A.A. and Subsidiaries
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(d) As of June 30, 2023 and December 31, 2022, the balance of corporate bonds is detailed below:

<i>In thousands of Soles</i>	Annual interest rate %	Maturity	As of June 30, 2023	As of December 31, 2022
Bonds				
Arizona State Bonds (i)	Between 1.6 and 1.95 + variable rate	September 2035	417,795	439,300
Peruvian corporate bonds	5.16	March 2023	-	18,815
			417,795	458,115
Amortized cost			(8,042)	(9,171)
			409,753	448,944

- (i) On November 18, 2010, DRAKE CEMENT, LCC obtained financing through the issuance of bonds from the Development Authority of the County of Yavapai, State of Arizona, United States of America, for the purpose of financing part of the investment in the cement plant of such subsidiary for up to USD 40,000,000 maturing in September 2035 and a monthly interest payment based on a variable interest rate (Securities Industry and Financial Markets Association Index Rate) plus 1.6%, compared to a maximum interest rate of 12%. Bonds are secured by a bank letter of credit, see note 22.A(ii).

In addition, on July 30, 2015, DRAKE CEMENT, LCC issued new bonds for the purpose of refinancing loans for the construction of the cement plant, acquisition of assets, materials and facilities up to an amount of USD 75,000,000 maturing in September 2035 and a monthly interest payment based on a variable interest rate (Securities Industry and Financial Markets Association Index Rate) plus 1.95%, compared to a maximum interest rate of 12%. Bonds are secured by a bank letter of credit, see note 22.A(ii).

These bonds were issued under the following conditions:

- The subsidiary DRAKE CEMENT may not increase its debt, by more than USD 5,000,000 of the outstanding balance at the time of issuance of the bond, excluding refinancing.
- Maintain an interest coverage ratio equal to or greater than 1.0.

In the Management's opinion, DRAKE CEMENT has been complying with the restrictive considerations and financial safeguards required by the County of Yavapai as of June 30, 2023, and December 31, 2022.

UNACEM CORP S.A.A. and Subsidiaries

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(e) The balance of bank loans is detailed below:

<i>In thousands of Soles</i>	Maturity	Initial amount	Currency	Destination of funds	Guarantees	As of June 30, 2023	As of December 31, 2022
Bank loans							
	October 2024						
SCOTIABANK DEL PERÚ (note 20 (d))	March 2025 and January 2027	671,547	PEN	Refinancing of financial liabilities	No guarantee was furnished.	554,555	625,916
BBVA PERÚ (note 20 (d))	January 2027	533,357	PEN	Refinancing of financial liabilities	No guarantee was furnished.	493,356	522,690
BANCO DE CRÉDITO DEL PERÚ (note 20 (d))	October 2026	502,500	PEN	Redemption of foreign bond	No guarantee was furnished.	479,888	502,500
BANCO DE CRÉDITO E INVERSIONES (BCI)	March 2024	75,000	USD	Financing for the purchase of TERMOCHILCA	Shre pledge, see note 1.B.3.	272,475	-
BANCO INTERNACIONAL DEL PERÚ (note 20 (d))	January 2027	228,385	PEN	Refinancing of financial liabilities	No guarantee was furnished.	211,256	223,817
CITIBANK N.A. (i)	October 2025	50,000	USD	Refinancing of financial liabilities	No guarantee was furnished.	108,990	152,800
BANCO DE CRÉDITO DEL PERÚ	March 2027	34,000	USD	Refinancing of financial liabilities	No guarantee was furnished.	92,640	110,398
BANCO INTERNACIONAL DEL PERÚ	May 2027	26,900	USD	Refinancing of financial liabilities	No guarantee was furnished.	87,955	97,620
BANCO DE CRÉDITO E INVERSIONES (Chile)	June 2024	-	CLP	-	Real estate guarantee, see note 9(g)	76,227	74,851
BANK OF NOVA SCOTIA (i)	September 2025	30,000	USD	Partial redemption of foreign bond	No guarantee was furnished.	49,046	63,030
SCOTIABANK DEL PERÚ	April 2025	72,000	PEN	Financing for the purchase of UNICON Chile	Real estate guarantee, see note 9(g)	28,800	36,000
BBVA PERU	December 2024	28,773	PEN	-	No guarantee was furnished.	17,787	21,449
CITIBANK N.A. (New York)	July 2024	-	USD	-	No guarantee was furnished.	14,986	19,261
BANCO SCOTIABANK (Chile) (i)	September 2023	4,000	USD	-	Letter of credit, see note 22.A(i)	14,514	15,215
BBVA BANCO CONTINENTAL (i)	December 2024	-	COP	-	Letter of credit, see note 22.A(i)	10,661	9,767
BANCO INTERNACIONAL DEL PERÚ	September 2023	34,387	PEN	Working capital	"Reactiva Peru" Loan Program	170	2,406
SANTANDER S.A.	April 2023	35,000	USD	Working capital and investments	No guarantee was furnished.	-	133,700
Less than PEN 10,000,000	-	-	-	-	-	43,968	48,177
						2,557,274	2,659,597
Amortized cost						(6,768)	(6,796)
Total						2,550,506	2,652,801
Finance leaseback							
SCOTIABANK (Chile)	March 2024	-	CLP	Leased assets	-	815	1,347
						815	1,347
Finance lease							
CONSORCIO TRANSMANTARO S.A. (Peru)	July 2039	-	USD	Leased assets	-	54,575	57,627
BOK FINANCIAL CORPORATION	Between December 2025 and December 2027	-	USD	Leased assets	-	27,069	30,258
BANK OF AMERICA	Between December 2027 and December 2028	-	USD	Leased assets	-	21,310	30,070
SCOTIABANK DEL PERÚ	Between August 2023 and May 2025	-	-	Leased assets	-	14,802	17,745
Less than PEN 10,000,000						34,107	38,996
						151,863	174,696
Factoring						26,319	9,538
Total						2,729,503	2,838,382

(i) The Group entered into swap contracts to reduce the variable rate risk related to these loans, see note 23.A.i

UNACEM CORP S.A.A. and Subsidiaries

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- (f) The financial safeguards applicable to local financial liabilities are monitored quarterly, semi-annually and annually and must be calculated based on the separate and/or consolidated financial information of the Company and its subsidiaries and the calculation methodologies required by each financial institution.
- (i) As of June 30, 2023 and December 31, 2022, the main financial safeguards based on separate financial information are as follows:

UNACEM CORP S.A.A.

- Maintain a leverage ratio less than or equal to 1.5.
- Maintain a debt service coverage ratio greater than 1.2.
- Maintain a debt or financial debt/EBITDA coverage ratio less than or equal to 4.0 by 2022 and 3.75 from 2023 onwards.

UNACEM PERÚ S.A.

- Maintain a leverage ratio less than or equal to 1.5.
- Maintain a debt service coverage ratio greater than or equal to 1.2.
- Maintain a debt or financial debt/EBITDA coverage ratio less than 3.5.

UNACEM ECUADOR S.A.

Up to March 31, 2023

- Maintain a debt service coverage ratio greater than or equal to 1.
- Maintain a total financial debt/EBITDA ratio less than or equal to 3.75.

As from April 2023

- Maintain a debt service coverage ratio greater than or equal to 1.

UNIÓN DE CONCRETERAS S.A.

- Maintain a debt service coverage ratio greater than or equal to 1.2.
- Maintain a total financial debt/EBITDA ratio less than or equal to 2.5.

CONCREMAX S.A.

- Maintain a debt service coverage ratio greater than or equal to 1.25.
- Maintain a debt or financial debt/EBITDA coverage ratio less than 2.5

UNACEM CHILE S.A.

- Maintain a debt service coverage ratio greater than or equal to 3.5.
- Maintain a leverage ratio less than or equal to 1.35.
- Maintain a debt or financial debt/EBITDA coverage ratio less than 6.5

UNICON CHILE S.A.

- Maintain a debt service coverage ratio greater than or equal to 1.0.
- Maintain a leverage ratio less than or equal to 1.8.
- Maintain a debt or financial debt/EBITDA coverage ratio less than or equal to 3.5.

COMPAÑÍA ELÉCTRICA EL PLATANAL S.A.

- Maintain a leverage ratio less than or equal to 3.0.
- Maintain a debt service coverage ratio greater than or equal to 1.2.

(ii) As of June 30, 2023, the main financial safeguards based on the consolidated financial information were as follows:

UNIÓN ANDINA DE CEMENTOS S.A.A. and Subsidiaries

- Maintain a leverage ratio less than or equal to 1.5.
- Maintain a debt service coverage ratio greater than 1.20.
- Maintain a debt or financial debt/EBITDA coverage ratio less than or equal to 4.0 by 2022 and 3.75 from 2023 onwards.

SKANON INVESTMENTS INC. and Subsidiaries

- Maintain a leverage ratio less than 1.

In the opinion of the Group's Management, the Company and its subsidiaries have complied with the financial safeguards as of June 30, 2023, except for UNACEM CHILE and UNICON CHILE, with short-term liabilities in the amount of PEN 76,227,000 and PEN 853,000, respectively. As of December 31, 2022, the Company and its subsidiaries have complied with the financial safeguards, except for UNICON Chile, with a short-term liability in the amount of PEN 2,064,000, and UNACEM Chile, which obtained a waiver duly approved and granted by the creditor bank during 2022, for which reason it has been recording the debt according to the initially approved maturity terms.

(g) As of June 30, 2023 and December 31, 2022, interest payable on bonds and medium and long-term debt with banks amounted to approximately PEN 24,048,000 and PEN 20,486,000, respectively, and are recorded under "Trade and Other Accounts Payable" in the consolidated statement of financial position, see note 13.

Interest accrued by bonds and bank loans as of June 30, 2023 and 2022, amounted to approximately PEN 92,352,000 and PEN 73,733,000, respectively, and is recorded under "Financial Expenses" in the consolidated income statement, see note 19.

(h) As of June 30, 2023, the Group has bank loans in Soles with effective annual interest rates in Soles ranging from 2.26 to 7.91%. Bank loans in U.S. Dollars are at variable rates plus a margin (3-month Libor and 1-month Libor plus a margin ranging from 1.75 to 2.60%) and at fixed rates ranging from 0.85 to 17.21%.

As of December 31, 2022, the Group has bank loans in Soles with effective annual interest rates in Soles ranging from 2.26 to 7.91%. Bank loans in U.S. Dollars are at variable rates plus a margin (3-month Libor and 1-month Libor plus a margin ranging from 1.22 to 2.60%) and at fixed rates 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>	As of June 30, 2023	As of December 31, 2022
Trade accounts payable (a)		626,617	677,093
Account payable for acquisition of subsidiary	1.B.3	140,059	-
Remuneration and vacation payable		103,273	74,884
Customer advances		51,506	63,531
Interest payable	12(b) and 12(g)	40,567	29,875
Accounts payable to related parties	20(b)	23,630	28,812
Taxes, labor and other contributions payable		19,237	22,446
Dividends payable	15(F)	17,612	15,801
Value added tax payable		16,891	7,411
Commitments with communities		14,360	15,746
Accounts payable for purchase of property, plant and equipment		13,900	17,086
Loans payable to third parties		11,921	8,859
Remuneration of the Board of Directors		3,775	8,090
Account payable for purchase of minority shares	2(ii)	-	6,208
Interest payable on financial instruments		-	144
Other accounts payable		35,722	27,580
		1,119,070	1,003,566
Classification by maturity:			
Current		944,746	975,032
Non-current		174,324	28,534
		1,119,070	1,003,566

- (a) Trade accounts payable mainly arise from the acquisition of goods and services for the development of the Group's operations and correspond to invoices payable to domestic and foreign suppliers, have current maturities, do not accrue interest and no guarantees have been furnished for these obligations.

The subsidiaries UNICON Peru and CONCREMAX offer their suppliers a program for the payment of their accounts through financial institutions. This program allows suppliers to sell their accounts receivable to financial institutions in a separately negotiated agreement between the supplier and the financial institution, thereby allowing the suppliers to better manage their cash flows and the subsidiaries to reduce their payment processing costs. These subsidiaries have no direct financial interest in these transactions.

All obligations with its suppliers, including balances payable, are maintained according to the contractual agreements entered into with them. As of June 30, 2023 and December 31, 2022, the balances related to these transactions amount to PEN 94,666,000 and PEN 108,570,000, respectively.

14. Income Tax

Deferred income tax liabilities, according to the items that originated them, comprise the following:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of December 31, 2022
Deferred income tax asset			
Opening Balance		392,703	387,786
Effect on consolidated income statement		43,089	14,915
Charge to comprehensive income		(216)	(5,677)
Acquisition of Subsidiary	<i>1.B.3</i>	280,189	-
Others		8,838	6,685
Translation effect		(21,127)	(11,006)
Closing Balance		703,476	392,703
Deferred income tax liability			
Opening Balance		(770,428)	(776,005)
Effect on consolidated income statement		(33,028)	7,114
Acquisition of subsidiaries	<i>1.B.3 and 1.B.1</i>	(153,088)	(889)
Others		(1,300)	(6,679)
Translation effect		11,671	6,031
Closing Balance		(946,173)	(770,428)
Total deferred income tax liability, net		(242,697)	(377,725)

- (a) The income tax expense shown in the consolidated income statement for the years ended June 30, 2023 and 2022 amounts to approximately PEN 122,200,000 and PEN 170,257,000, respectively.

15. Net Equity

A. Issued Capital

As of June 30, 2023 and December 31, 2022, the Company's issued capital is represented by 1,818,127,611 fully subscribed and paid-in common shares, with a par value of PEN 1 (One Sol) each. The common shares representing the capital stock of the Company are traded on the Lima Stock Exchange.

	As of June 30, 2023	
	Number of shares	Percentage share %
Shareholders		
Inversiones JRPR S.A.	483,489,609	26.59
Nuevas Inversiones S.A.	459,129,497	25.25
Private Pension Fund Management Companies (AFPs)	474,416,206	26.09
Others	401,092,299	22.07
	1,818,127,611	100.00

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	As of December 31, 2022	
	Number of shares	Percentage share %
Shareholders		
Inversiones JRPR S.A.	483,489,609	26.59
Nuevas Inversiones S.A.	459,129,497	25.25
Private Pension Fund Management Companies (AFPs)	470,622,191	25.89
Others	404,886,314	22.27
	1,818,127,611	100.00

As of June 30, 2023, the stock price of each common share was PEN 1.61 (PEN 1.80 as of December 31, 2022).

B. Additional Capital

This is the variation between the capital increase made in 2019 due to the merger of the Company with and into SINDICATO DE INVERSIONES Y ADMINISTRACIÓN S.A., INVERSIONES ANDINO S.A., and INMOBILIARIA PRONTO S.A. and the equity recorded.

C. Treasury Shares

In a meeting held on August 20, 2021, the Board of Directors approved a program for the purchase of treasury shares for up to PEN 36,400,000, without exceeding 2% of the issued shares. The program was extended in the Board of Directors' meetings held on December 22, 2021, June 28, 2022 and December 28, 2022, thus extending the term of the purchase program until June 30, 2023.

In a meeting held on June 28, 2023, the Board of Directors agreed to extend the program until June 30, 2025, increasing the maximum amount to PEN 112,000,000, without exceeding 4% of the treasury shares. Additionally, the Board of Directors expressly empowered the Management to set the terms and conditions of the program and to carry out the necessary actions to execute it.

The acquired shares are held in the portfolio for a maximum term of two (2) years and as long as they are held in the portfolio, all rights will be suspended.

As of June 30, 2023, the Company holds 11,582,000 treasury shares equivalent to PEN 21,390,000 (12,967,000 treasury shares equivalent to PEN 23,530,000, as of December 31, 2022).

D. Legal Reserve

As provided for in the Business Corporations' Act, a minimum of 10% of distributable profit for each year, net of income tax, is required to be transferred to a legal reserve until such reserve reaches 20% of the issued capital. The legal reserve may offset losses or may be capitalized, in both cases there is an obligation to replenish it. As of June 30, 2023 and December 31, 2022, the legal reserve reached the limit of 20% of the issued capital.

E. Unrealized Gains and Losses

Unrealized gains and losses are changes in the fair value, net of the tax effect, of hedging financial instruments, see note 23.A.i. and fringe benefits for employer retirement and termination.

F. Dividend Distribution

The information on dividends distributed in 2023 and 2022 is shown below:

Dividends 2023

<i>In thousands of Soles</i>	Dividends declared and paid	Payment date	Dividends per common share
Date of Board of Directors' meeting			
January 25, 2023	36,103	February 22, 2023	0.020
April 27, 2023	36,102	May 31, 2023	0.020
	72,205		

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Dividends 2022

<i>In thousands of Soles</i>	Dividends declared and paid	Payment date	Dividends per common share
Date of Board of Directors' meeting			
January 26, 2023	36,194	January 28, 2022	0.020
April 27, 2022	54,202	May 30, 2022	0.030
July 26, 2022	36,111	August 31, 2022	0.020
October 26, 2022	36,103	November 29, 2022	0.020
	162,610		

During 2023, the subsidiaries DESERT READY MIX, DESERT AGGREGATES, ENTREPISOS, CELEPSA, UNACEM ECUADOR and INVECO distributed dividends to their non-controlling shareholders for approximately PEN 14,894,000. During 2022, the subsidiaries DESERT READY MIX, DESERT AGGREGATES, CELEPSA, UNACEM ECUADOR and INVECO distributed dividends to their non-controlling shareholders for approximately PEN 59,127,000.

As of June 30, 2023, there is an outstanding balance of dividends of approximately PEN 17,612,000 (PEN 15,801,000 as of December 31, 2022), see note 13.

G. Translation Gains and Losses

Translation Gains and Losses correspond mainly to the exchange difference resulting from the translation of the financial statements of foreign subsidiaries to the Group's reporting currency.

H. Prescribed Dividends

Prescribed Dividends correspond to dividends from previous years made available to certain shareholders of the Group's companies that have not been collected for more than three (3) years.

16. Net Sales

This caption comprises the following:

<i>In thousand Soles</i>	As of June 30, 2023	As of June 30, 2022
Segments		
Cement	1,545,493	1,585,984
Concrete	1,189,029	1,084,444
Energy and power	225,501	124,677
Other services	8,105	8,761
	2,968,128	2,803,866
Timing of revenue recognition		
Assets transferred at a point in time	2,683,248	2,624,703
Service delivery at a point in time	284,880	179,163
	2,968,128	2,803,866

17. Cost of Sales

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of June 30, 2022
Initial inventory of finished goods and work in progress	7	273,596	241,109
Cost of production			
Use of raw materials		542,918	468,970
Fuel		407,798	329,832
Personnel expenses		351,093	324,422
Depreciation	9(e)	221,814	216,964
Maintenance cost		180,561	166,316
Electricity		118,334	73,782
Transportation and freight		94,758	86,137
Use of packaging		67,050	66,515
Depreciation of right-of-use assets	8(c)	6,834	4,337
Preparation of quarries		3,590	5,463
Amortization	10(a)	3,314	2,683
Depreciation for deferred asset for land clearing		1,820	3,187
Allowance for inventory obsolescence		(597)	4,148
Other manufacturing expenses		254,100	253,666
Ending inventory of finished goods and work in progress	7	(355,675)	(234,944)
		2,171,308	2,012,587

18. Administrative Expenses

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of June 30, 2022
Personnel expenses		112,259	106,466
Services rendered by third parties		41,465	39,163
Donations		16,326	8,279
Miscellaneous management expenses		11,650	6,895
Taxes		9,656	9,834
Depreciation	9(e)	9,034	7,304
Amortization	10(a)	3,044	2,598
Allowance for expected credit loss		1,638	1,042
Depreciation of right-of-use assets	8(c)	364	363
Others		12,087	9,836
		217,523	191,780

19. Financial Expenses

As of June 30, 2023 and 2022, this caption mainly comprises interest on bonds issued and bank debt in the amount of PEN 111,732,000 and PEN 78,747,000, respectively, see notes 12(b) and 12(g).

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20. Transactions with Related Companies

(a) The main transactions with related companies as of June 30, 2023 and 2022 were as follows:

<i>In thousands of Soles</i>	<i>Note:</i>	2023	2022
Revenue			
Sale of cement			
La Viga S.A.		288,318	292,682
Asociación UNACEM		137	78
Costs and/or expenses			
Donations			
Asociación UNACEM		14,686	6,973
Purchase of additives			
Master Builders Solutions Perú S.A.		30,973	26,925
Commissions and freight for cement sales			
La Viga S.A.		20,268	15,413
Other expenses			
Master Builders Solutions Perú S.A.		2,208	1,635
Compañía Inversiones Santa Cruz S.A.		59	62
Other income			
Master Builders Solutions Perú S.A.		1,584	1,352
Asociación UNACEM		229	96
La Viga S.A.		112	104

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

<i>In thousands of Soles</i>	<i>Note:</i>	As of June 30, 2023	As of December 31, 2022
Accounts receivable	6		
La Viga S.A.		35,965	37,122
Master Builders Solutions Perú S.A.		202	428
Other minor accounts		1,641	1,641
		37,808	39,191
Accounts payable	13		
Master Builders Solutions Perú S.A.		19,289	24,309
La Viga S.A.		4,252	4,490
Other minor accounts		89	13
		23,630	28,812

(c) The Group carries out its operations with related companies under the same conditions as those carried out with third parties. Accordingly, there are no differences in pricing policies or in the tax settlement base; in relation to payment methods, these do not differ from policies granted to third parties.

(d) As of June 30, 2023, as a result of the simple reorganization of the Company referred to in note 1, the Company and UNACEM Peru became co-debtors of the bank loans described in note 12(e) up to a limit of PEN 1,560,555,000 (PEN 1,647,423,000 as of December 31, 2022).

(e) The total remuneration received by the directors and key officers of the Group's Management as of June 30, 2023 and 2022 amounted to PEN 12,867,000 and PEN 8,739,000, respectively, which include short-term benefits and severance indemnity packages.

(f) As of June 30, 2023 and December 31, 2022, there were no changes in the parent company NUEVAS INVERSIONES S.A. In relation to the parent company INVERSIONES JRPR S.A., there was a change of ownership interest in the Company, see note 15.A.

21. Earnings per Share

Basic earnings per share are calculated by dividing net profit or loss for the year by the weighted average number of outstanding ordinary shares during the year.

The calculation of the weighted average number of shares and basic and diluted earnings per share is shown below:

<i>In thousands of Soles</i>	Outstanding shares	Base shares for the calculation	Effective days in the year	Weighted average number of outstanding shares
Year 2023				
Balance as of January 1, 2023	1,805,161	1,805,161	365	1,805,161
Purchase of treasury shares	1,512	1,512	63	261
Purchase of treasury shares	(127)	(127)	57	(20)
Balance as of June 30, 2023	1,806,546	1,806,546		1,805,402
Profit for the year (in thousands of Soles)				288,423
Net basic and diluted earnings per share (expressed in Soles)				0.160

<i>In thousands of Soles</i>	Outstanding shares	Base shares for the calculation	Effective days in the year	Weighted average number of outstanding shares
Year 2022				
Balance as of January 1, 2022	1,810,835	1,810,835	365	1,810,835
Purchase of treasury shares	(5,284)	(5,284)	94	(1,361)
Balance as of June 30, 2022	1,805,551	1,805,551		1,809,474
Profit for the year (in thousands of Soles)				251,204
Net basic and diluted earnings per share (expressed in Soles)				0.139

As of June 30, 2023 and 2022, the Company holds 11,582,000 and 12,577,000 treasury shares with an average of 484 days and 176 days, respectively.

22. Commitments and Contingencies

A. Financial and Purchase Commitments

- (i) The subsidiaries have the following letters of guarantee in force:
- Letter of guarantee granted by UNACEM PERU in favor of the Ministry of Energy and Mines (MEM), issued by BANCO DE CRÉDITO DEL PERÚ, for a total of approximately USD 1,209,000, equivalent to PEN 4,552,000 maturing in December 2023 and January 2024, in order to secure compliance with the Mine Closure Plan of its mining concessions.
 - Letter of guarantee granted by UNACEM PERU in favor of the Ministry of Fisheries and Industries, issued by BANCO DE CRÉDITO DEL PERÚ, for a total of approximately USD 6,383,000, equivalent to PEN 24,033,000, maturing in December 2023 and January 2024, in order to secure compliance with the Mine Closure Plan of its mining concessions.

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- Letters of guarantee granted by UNACEM PERU in favor of the National Superintendency of Tax Administration (SUNAT) for a total of PEN 14,255,000 maturing in July, August, September and November 2023 and January 2024, in order to secure the customs tax debt.
- Letters of guarantee issued by UNACEM Peru in favor of third parties for a total of PEN 638,000, maturing in July and December 2023 and in March, April 2024.
- Letters of guarantee issued by financial institutions on behalf of UNICON Peru and CONCREMAX in order to guarantee the supply of concrete to certain customers, as of June 30, 2023 for approximately PEN 99,864,000 (PEN 104,068,000 as of December 31, 2022).
- Letters of guarantee issued by financial institutions on behalf of ENTREPISOS in order to guarantee the supply of slabs and pre-cast concrete to certain customers, as of June 30, 2023 for approximately PEN 1,998,000 (PEN 1,217,000 as of December 31, 2022).
- Letters of guarantee issued by financial institutions on behalf of DEPÓSITO ADUANERO CONCHÁN S.A. in order to secure its obligations generated in the performance of its duties as a bonded warehouse in accordance with the Customs Act, its regulations and other applicable administrative provisions, as of June 30, 2023 for approximately USD 100,000, equivalent to PEN 363,000 (USD 100,000, equivalent to PEN 382,000 as of December 31, 2022).
- Letter of guarantee granted by CELEPSA in favor of CONSORCIO TRANSMANTARO S.A. for a total of USD 3,000,000, maturing in July 2024, issued by SCOTIABANK DEL PERÚ in order to secure compliance with the obligations of the power transmission contract.
- Letter of guarantee granted by CELEPSA in favor of LA FIDUCIARIA S.A., issued by SCOTIABANK, for a total amount of approximately USD 42,300,000, equivalent to PEN 159,260,000, maturing in January 2024, in order to secure compliance with the obligations under the TERMOCHILCA Share and Debt Purchase Agreement. It was cancelled in May 2023.
- Letters of guarantee granted by CELEPSA in favor of the Ministry of Energy and Mines (MEM), issued by BANCO DE CRÉDITO DEL PERÚ, for a total of approximately PEN 2,730,000, maturing between October 2023 and April 2024, in order to secure compliance with various projects.
- Letter of guarantee granted by TERMOCHILCA in favor of CONSORCIO TRANSMANTARO S.A., issued by SCOTIABANK DEL PERÚ for a total amount of USD 2,000,000, maturing in December 2023, in order to secure compliance with the obligations of the power transmission contract.
- Letter of guarantee granted by TERMOCHILCA in favor of CONSORCIO TRANSMANTARO S.A., issued by SCOTIABANK DEL PERÚ, for a total amount of USD 12,747,000, maturing in July 2024, in order to support the payment of the net balance of amortization in the event of termination of the power transmission contract for facilities of the Complementary Transmission System and their respective addenda.
- Letters of guarantee granted by TERMOCHILCA in favor of CONSORCIO CAMISEA, in order to secure compliance with the obligations assumed by TERMOCHILCA under the "Natural Gas Supply Contract" entered into in 2020, issued by SCOTIABANK DEL PERÚ for approximately USD 2,304,000, and issued by BANCO DE CRÉDITO DEL PERÚ for approximately USD 2,322,000, maturing in August 2023.
- On September 23, 2016, SCOTIABANK Chile approved a credit facility of up to USD 4,000,000 in favor of PREANSA Chile, which is guaranteed through a letter of credit of PREANSA Peru issued by SCOTIABANK DEL PERÚ, maturing in September 2023.

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- On December 13, 2016, BBVA Colombia approved a credit facility of up to USD 3,550,000 in favor of PREANSA Colombia, which is guaranteed through a letter of credit of PREANSA Peru issued by BBVA Peru, maturing in January 2024.
 - As of June 30, 2023, the subsidiary VIGILANCIA ANDINA S.A. has letters of guarantee issued by financial institutions to secure the payment of remunerations of personnel under labor intermediation to customers for PEN 3,156,000, maturing in July 2024 (PEN 3,032,000 as of December 31, 2022, maturing in December 2023).
- (ii) Guarantees for the payment of financial obligations:
- Letter of credit for USD 40,447,000, dated November 18, 2010 and amended on November 10, 2020, entered into between BANK OF NOVA SCOTIA U.S. OPERATIONS (issuer) and U.S. BANK NATIONAL ASSOCIATION (trustee). On November 1, 2010, U.S. BANK NATIONAL ASSOCIATION entered into a trust agreement with the Industrial Development Authority (authority) of the County of Yavapai. Similarly, on November 10, 2020 the letter of credit was renewed for an additional period of five (5) years, see note 12(d)(i).
 - Letter of credit for USD 75,838,000, dated July 30, 2015, entered into by and among DRAKE CEMENT, LLC, SKANON INVESTMENTS, INC. (guarantor) and BANK OF NOVA SCOTIA, NEW YORK AGENCY (issuer) in order for the issuer to directly pay on behalf of DRAKE the credit in favor of U.S. BANK NATIONAL ASSOCIATION (trustee). The latter entity entered into a trust agreement with the Industrial Development Authority (authority) of the County of Yavapai. On June 1, 2020, the letter of credit was renewed for an additional period of five (5) years, see note 12(d)(i).
- (iii) Indemnification Agreement
- The SKANON subsidiary establishes indemnification provisions under its agreements with other companies in the normal course of business, generally with business partners, customers, property owners, lenders and lessors. Under such provisions, SKANON generally indemnifies and holds harmless the indemnified party for losses suffered or incurred as a result of its activities or, in some cases, as a result of the indemnified party's activities under the agreement. The maximum potential future payments that SKANON could make under these indemnification provisions is unlimited. SKANON has not incurred any material costs to defend complaints or settle claims related to these indemnification agreements. As a result, SKANON considers the estimated fair value of these agreements to be minimal. Accordingly, the Group's Management has no liability recorded for these agreements as of June 30, 2023 and December 31, 2022.

B. Finance Leases

Future minimum payments for finance leases and leasebacks are as follows:

	As of June 30, 2023		As of December 31, 2022	
	Minimum payments	Present value of lease payments	Minimum payments	Present value of lease payments
<i>In thousands of Soles</i>				
In one year	49,332	35,208	54,795	39,216
Between one year and over	226,967	117,470	258,005	136,827
Total payments due	276,299	152,678	312,800	176,043
Less - financial costs	(123,621)	-	(136,757)	-
Value of minimum lease payments	152,678	152,678	176,043	176,043

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C. Tax Situation

- (a) The Group's companies are subject to the tax regime of the country in which they operate and are taxed separately on the basis of their unconsolidated profit or loss. As of June 30, 2023 and December 31, 2022, the income tax rate on taxable profits in the main countries in which the Company and its subsidiaries operate are as follows:

In percentages	Tax Rates	
	2023	2022
Peru	29.5	29.5
Ecuador	25.0	25.0
United States of America (*)	21.0 and 4.9	21.0 and 4.9
Chile	27.0	27.0

(*) According to the laws of the United States of America and the State of Arizona, the subsidiary is subject to the application of the 21% federal rate and the 4.9% state rate.

- (b) In order to determine the income tax, the transfer prices of transactions with related companies and companies domiciled in territories with low or no taxation must be supported by documentation and information on the valuation methods used and the criteria considered for their determination.

Based on the analysis of the Group's operations, the Management and its legal advisors are of the opinion that, as a result of the implementation of these standards, no significant contingencies shall arise for the Group as of June 30, 2023 and December 31, 2022.

- (c) The Tax Authority of each country has the authority to review and, if applicable, correct the corresponding income tax calculated by the Company and its Subsidiaries. Income tax returns are subject to audit by the Tax Authority, as shown below:

	Period subject to audit
In Peru	
UNACEM Corp S.A.A.	2018 – 2022
UNACEM Perú S.A.	2021 – 2022
Compañía Eléctrica el Platanal S.A.	2019 – 2022
Celepsa Renovables S.R.L.	2018 – 2022
Termochilca S.A.	2017 – 2022
Generación Eléctrica Atocongo S.A.	2018 – 2022
Unión de Concreteras S.A.	2018 – 2022
Concremax S.A.	2018 – 2022
Inversiones en Concreto y Afines S.A.	2018 – 2022
Prefabricados Andinos Perú S.A.C.	2018 – 2022
Digicem S.A.	2018 – 2022
Depósito Aduanero Conchán S.A.	2018 – 2022
Inversiones Imbabura S.A.	2018 – 2022
Inversiones Nacionales y Multinacionales Andinas S.A.	2018 – 2022
ARPL tecnología Industrial S.A.	2019 – 2022
Vigilancia Andina S.A.	2019 – 2022
Entrepisos Lima S.A.C.	2018 – 2022
In Ecuador	
UNACEM Ecuador S.A.	2020 – 2022
Unión de Concreteras UNICON UCUE Cía. Ltda.	2020 – 2022
In Chile	
Prefabricados Andinos S.A.	2020 – 2022
UNACEM Chile S.A.	2020 – 2022
Inversiones MEL20 Limitada	2020 – 2022
UNICON Chile S.A.	2020 – 2022
In Colombia	

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	Period subject to audit
Prefabricados Andinos Colombia S.A.S.	2018 – 2022
In the United States of America	2020 – 2022

Due to the possible ways in which the Tax Authorities of each country in which the Group operates may interpret the legal regulations in force, it is not possible to determine, as of this date, whether or not the reviews will result in liabilities for the Company and its Subsidiaries. Therefore, any higher tax or surcharge that may result from the tax reviews would be applied to the profit or loss for the year in which it is determined. In the opinion of the Group's Management and its legal advisors, any additional tax settlement would not be material to the consolidated financial statements as of June 30, 2023 and December 31, 2022.

- (d) As of June 30, 2023 and December 31, 2022, the tax loss carryforwards of the subsidiaries are as follows:

<i>In thousands of Soles</i>	2023	2022
Skanon Investments, Inc. and Subsidiaries (i)	2,296,315	2,412,905
Compañía Eléctrica El Platano S.A. and Subsidiaries (ii)	740,658	224,481
Prefabricados Andinos S.A.– PREANSA Chile (iii)	59,687	58,609
Unicon Chile S.A. (iii)	16,461	16,164
Prefabricados Andinos Perú S.A.C. – PREANSA Peru (iii)	15,564	17,173
Prefabricados Andinos Colombia S.A.S (iii)	9,414	8,625
Digicem S.A. (ii)	5,811	1,676
Generación Eléctrica De Atocongo S.A. (ii)	3,386	2,000
Concremax S.A. (ii)	3,202	3,202
Inversiones Imbabura S.A. (ii)	42	-
Depósito Aduanero Conchán S.A. (ii)	1,306	1,415
Other minor Peruvian subsidiaries (ii)	4,048	1,946

- (i) Tax loss carryforwards of U.S. subsidiaries amount to approximately USD 633,641,000 (equivalent to PEN 2,296,315,000). According to the assessment of the Group's Management, it is estimated that federal and state losses of approximately USD 334,045,000 and USD 299,596,000, respectively (equivalent to approximately PEN 1,210,579,000 and PEN 1,085,736,000, respectively) will be recovered. Such federal and state loss shall begin to expire as of August 31, 2025 and December 31, 2032, respectively, for approximately USD 98,774,000 (equivalent to approximately PEN 357,957,000).

Under U.S. laws, the Group's subsidiaries in such country are subject to federal and state taxes, which are levied at a rate of 21% and 4.9%, respectively, on taxable income.

- (ii) The Management of each Peruvian subsidiary with tax loss carryforwards has elected both the option that allows offsetting tax losses up to 50% of the taxable income generated in each year, for an indefinite term, and the option that allows offsetting tax losses over the four years starting from the date of their generation.
- (iii) Tax loss carryforwards of the subsidiaries in Chile (which do not expire) and Colombia (which expire during the following twelve years after the tax loss is generated), shall be offset against future profits of the subsidiaries in accordance with the corresponding tax requirements.

- (e) As of June 30, 2023 and December 31, 2022, the net balance payable net of income tax is approximately PEN 15,875,000 and PEN 149,297,000, respectively.

D. Contingencies

In their normal course of business, the Company and its subsidiaries have been subject to various tax, legal (labor and administrative) and regulatory claims, which are recorded and disclosed in accordance with International Financial Reporting Standards.

Peru

i. Tax Contingencies

As a result of audits carried out in previous years, the Company and its subsidiaries have been notified by the National Superintendency of Tax Administration (SUNAT) with various resolutions for alleged income tax omissions. In some cases, the Company and its subsidiaries have filed appeals to appellate courts as they did not find that such resolutions are in accordance with the law, but in other cases they paid the tax assessments received under protest. These tax proceedings are related to:

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- Income tax for the years 2000 and 2001
- Income tax for the years 2004 and 2005
- Income tax for the year 2009
- Interest penalties for payments on account for the year 2014
- Contribution to the supplementary mining, metallurgical and steel retirement fund from 2013 to 2017
- Mining Royalties, formerly CEMENTOS LIMA, years 2008 and 2009
- Mining Royalties, formerly CEMENTO ANDINO, year 2008

As of June 30, 2023 and December 31, 2022, the Company has balances receivable related to these tax proceedings since, in the opinion of the Company's Management and its legal advisors, there are reasonable grounds to obtain an outcome favorable to the Company's interests, see note 6(b).

E. Environmental Commitments

The Group's activities are subject to environmental protection standards. These standards are the same as those described in the note to the annual consolidated financial statements as of December 31, 2022.

23. Financial Risk Management Objectives and Policies

The Group is exposed to market, credit and liquidity risks.

A. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, exchange rate risk, product price risk and other price risks. Financial instruments affected by market risk include bank deposits, trade and other accounts receivable, other financial liabilities and derivative financial instruments.

The sensitivity analyses in the following sections relate to the consolidated financial position as of June 30, 2023 and December 31, 2022.

These sensitivity analyses have been prepared on the assumption that the amount of net debt, the ratio of fixed to floating interest rates on debt and derivative financial instruments, and the proportion of financial instruments in foreign currencies are all constant as of June 30, 2023 and December 31, 2022.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market interest rate risk relates primarily to long-term debt obligations with variable interest rates.

The Group minimizes this risk by using interest rate swaps (hedging derivative financial instrument), as a hedge of the variability in cash flows attributable to changes in interest rates.

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▪ **Hedging derivative financial instruments**

The Group has entered into interest rate swap contracts designated as cash flow hedges, which are recorded at fair value. Details about these transactions are provided below:

As of June 30, 2023						
Counterpart	Currency	Reference amount (000)	Maturity	Received at a variable rate of:	Paid at a fixed rate of:	Fair value PEN (000)
Assets						
CITIBANK N.A.	USD	50,000	October 2025	3-month Libor + 1.75%	5.700%	2,012
BANCO DE CRÉDITO E INVERSIONES (BCI) (Chile)	CLP	2,692,424	November 2027	6.78%	3.377%	1,488
BANK OF NOVA SCOTIA	USD	30,000	September 2025	3-month Libor + 2.60%	5.660%	1,277
BANCO SCOTIABANK (Chile)	USD	3,355	October 2023	1-month Libor + 1.85%	5.550%	58
Total						4,835

As of December 31, 2022						
Counterpart	Currency	Reference amount (000)	Maturity	Received at a variable rate of:	Paid at a fixed rate of:	Fair value PEN (000)
Assets						
BANK OF NOVA SCOTIA	USD	30,000	September 2025	3-month Libor + 2.60%	5.660%	1,427
BANCO DE CRÉDITO E INVERSIONES (BCI) (Chile)	CLP	2,692,424	November 2027	6.78%	3.377%	1,172
CITIBANK N.A.	USD	50,000	October 2025	3-month Libor + 1.75%	5.700%	1,130
BANCO SCOTIABANK (Chile)	USD	3,355	October 2023	1-month Libor + 1.85%	5.550%	334
Total						4,063

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The Group has designated these financial instruments as hedging instruments, since it has determined that there is an economic relationship between the hedged item and the hedging instrument.

The effective portion of changes in the fair value of derivative financial instruments that qualify as hedges are recognized as assets or liabilities, with a balancing entry in equity. As of June 30, 2023 and 2022, the Group recognized a positive variation in the fair value of approximately PEN 150,000 and PEN 15,719,000, respectively, under “Unrealized gains and losses” of the consolidated statement of changes in net equity, which are recorded net of the income tax effect, respectively.

In 2023, the Group has recognized financial income from these derivative financial instruments amounting to approximately PEN 1,164,000 (expenditure of PEN 6,234,000 during 2022), which amounts have been effectively collected and/or paid during the year and are recorded under the item “Financial expenses” and “Financial income” of the consolidated income statement.

Interest Rate Sensitivity

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

ii. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Group’s exposure to currency risk is related, firstly, to the Group’s operating activities (when income and expenses are in a currency other than the Group’s functional currency) and, secondly, by obtaining financing in U.S. Dollars.

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 in the periods ended June 30, 2023 and 2022 resulted in net gains for approximately PEN 31,192,000 and PEN 23,578,000, respectively, which are recorded under “Exchange difference, net” in the consolidated income statement.

As of June 30, 2023 and December 31, 2023, the Group has a derivative financial instrument liability corresponding to a “Cross Currency Interest Rate Swap” amounting to PEN 1,615,000 and PEN 3,253,000 in favor of BBVA Peru, in order to hedge its currency fluctuation risks. These instruments were designated as held for trading.

As of June 30, 2023 and 2022, changes in fair value are recognized as expense or income. As of June 30, 2023 and 2022, the effect corresponds to a net financial income of approximately PEN 1,638,000 and PEN 2,289,000 and is recorded under “Financial income” in the consolidated income statement.

Likewise, as of June 30, 2023 and 2022, a net financial expense was recognized for these derivative financial instruments amounting to approximately PEN 326,000 and PEN 515,000, respectively. These amounts have been effectively paid during the year and are recorded under “Financial expenses” in the consolidated income statement.

Exchange Rate Sensitivity

Transactions in foreign currency are carried out at the free-market exchange rates published by the Superintendency of Banking, Insurance and Private Pension Fund Management Companies. As of June 30, 2023, the weighted average free market exchange rates for U.S. dollar transactions were PEN 3.758 for buying and PEN 3.624 for selling (PEN 3.633 for buying and PEN 3.820 for selling as of December 31, 2022), respectively.

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As of June 30, 2023 and December 31, 2022, the main foreign currency in which the Group maintains assets and liabilities is the U.S. Dollar. The balances of assets and liabilities in such foreign currency are shown below:

<i>In thousands of U.S. Dollars</i>	2023	2022
Assets		
Cash and cash equivalents	41,260	30,306
Trade and other accounts receivable	246,175	150,960
	287,435	181,266
Liabilities		
Other financial liabilities	(230,287)	(143,513)
Trade and other accounts payable	(250,151)	(116,050)
	(480,438)	(259,563)
Foreign currency derivative financial instruments	(444)	(852)
Liabilities, net	(193,447)	(79,149)

The following table shows the sensitivity to a reasonably possible change in the U.S. dollar exchange rate, with all other variables held constant, on the Group's profit before income taxes (due to changes in the fair value of monetary assets and liabilities, including foreign currency derivative financial instruments not designated as hedges).

<i>In thousands of Soles</i>	Impact on profit before income tax	
	As of June 30, 2023	As of June 30, 2022
Change in exchange rates in U.S. Dollars		
%		
+5	(35,268)	(14,876)
+10	(70,537)	(29,751)
-5	35,268	14,876
-10	70,537	29,751

B. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or commercial contract, resulting in a financial loss. The Group is exposed to credit risk due to its operating activities (in particular trade debtors) and its financial activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk for the components of the consolidated financial statements as of June 30, 2023 and December 31, 2022, is represented by the sum of cash and cash equivalents and trade and other receivables.

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

C. Liquidity Risk

The Group monitors the risk of a funding shortfall using a liquidity planning tool on a recurring basis.

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

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The following tables summarize the maturity profile of the Group's financial liabilities based on the undiscounted payments provided for in the respective contracts:

<i>In thousands of Soles</i>	As of June 30, 2023			
	From 1 to 12 months	From 1 to 3 years	Over 4 years	Total
Trade and other accounts payable (*)	857,112	29,456	144,868	1,031,436
Other financial liabilities				
Principal repayment	1,729,409	1,568,071	945,989	4,243,469
Cash flow from interest payment	203,772	151,046	199,576	554,394
Lease liabilities				
Principal repayment	14,103	24,992	68,961	108,056
Cash flow from interest payment	8,549	15,400	24,326	48,275
Total liabilities	2,812,945	1,788,965	1,383,720	5,985,630

<i>In thousands of Soles</i>	As of December 31, 2022			
	From 1 to 12 months	From 1 to 3 years	Over 4 years	Total
Trade and other accounts payable (*)	881,986	22,045	6,147	910,178
Other financial liabilities				
Principal repayment	1,106,529	1,413,546	1,215,803	3,735,878
Cash flow from interest payment	152,838	209,569	203,784	566,191
Lease liabilities				
Principal repayment	8,024	11,026	3,195	22,245
Cash flow from interest payment	895	1,267	1,887	4,049
Total liabilities	2,150,272	1,657,453	1,430,816	5,238,541

(*) As of June 30, 2023 and December 31, 2022, this item does not include customer advances, taxes, labor contributions and value added tax for approximately PEN 87,634,000 and PEN 93,388,000, respectively.

D. Capital Management

During the years ended June 30, 2023 and December 31, 2022, there were no changes in the objectives, policies or processes related to capital management.

24. Fair Value

A. Instruments carried at fair value based on the fair value accounting hierarchy

The following table shows an analysis of the financial instruments that are carried at fair value according to the level of the fair value accounting hierarchy:

<i>In thousands of Soles</i>	Level 2	Total
As of June 30, 2023		
Financial assets		
Derivative financial instruments	4,835	4,835
Financial liabilities		
Derivative financial instruments	(1,615)	(1,615)
Total financial assets, net	3,220	3,220
As of December 31, 2022		
Financial assets		
Derivative financial instruments	4,063	4,063
Financial liabilities		
Derivative financial instruments	(3,253)	(3,253)
Total financial assets	810	810

Fair value of financial instruments carried at amortized cost

Below are the other financial instruments carried at amortized cost whose estimated fair value is disclosed in this note, as well as the level in the accounting hierarchy of such fair value.

Level 1

- Cash and cash equivalents do not represent a significant credit or interest rate risk; therefore, their carrying amounts approximate fair value.
- Due to the fact that accounts receivable are net of their allowance for doubtful accounts and they mainly have current maturities, Management has considered that their fair value is not significantly different from their book value.
- As trade and other accounts payable have current maturities, the Group's Management estimates that their carrying amount approximates their fair value.

Level 2

- The fair values of other financial liabilities have been determined by comparing market interest rates at the time of initial recognition with current market rates for similar financial instruments. A comparison between the carrying amounts and fair values of these financial instruments is shown below:

<i>In thousands of Soles</i>	As of June 30, 2023		As of December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Other financial liabilities (*)	3,139,256	3,195,516	3,287,326	3,280,118

(*) As of June 30, 2023 and December 31, 2022, the balance does not include bank notes and bank overdrafts, see note 12.

25. Information by Operating Segments

For management purposes, the Group is organized into business units based on its products and activities and has three different segments organized as follows:

- Production and sale of cement.
- Production and sale of concrete.
- Generation and sale of electricity using hydraulic resources.

No other operating segments have been added as part of the operating segments described above.

The Management of each company monitors the operating results of the business units separately in order to make decisions on the allocation of resources and evaluate their performance.

Segment performance is evaluated on the basis of operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are agreed upon as between independent parties in a manner similar to that agreed upon with third parties.

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Financial information by business segment, net of eliminations, is presented below:

<i>In thousands of Soles</i>	As of June 30, 2023						Consolidated
	Cement	Concrete	Electricity	Others	Total segments	Adjustments and eliminations	
Revenues							
External customers	1,545,493	1,189,029	225,501	8,105	2,968,128	-	2,968,128
Inter-segments	226,177	52,532	58,174	255,400	592,283	(592,283)	-
Total revenues	1,771,670	1,241,561	283,675	263,505	3,560,411	(592,283)	2,968,128
Gross profit	560,370	123,321	92,754	224,653	1,001,098	(204,278)	796,820
Operating income (expenses)							
Administration expenses	(118,587)	(45,512)	(15,274)	(56,919)	(236,292)	18,769	(217,523)
Selling expenses	(33,020)	(16,064)	(4,696)	(1,064)	(54,844)	-	(54,844)
Other operating income (expense), net	(57,678)	(9,535)	(4,556)	(16,711)	(88,480)	71,852	(16,628)
Operating profit	351,085	52,210	68,228	149,959	621,482	(113,657)	507,825
Other income (expense)							
Share in net profits of associated companies	-	1,658	-	-	1,658	272	1,930
Financial income	4,544	1,242	1,257	7,255	14,298	(5,497)	8,801
Financial expenses	(67,364)	(13,228)	(18,719)	(34,548)	(133,859)	5,497	(128,362)
Exchange difference, net	20,958	655	13,044	(3,465)	31,192	-	31,192
Profit before income tax	309,223	42,537	63,810	119,201	534,771	(113,385)	421,386
Income tax	(89,840)	(4,429)	(14,583)	(13,348)	(122,200)		(122,200)
Net profit by segment	219,383	38,108	49,227	105,853	412,571	(113,385)	299,186
Segment profits before taxes	372,043	52,865	81,272	146,222	652,402	(231,016)	421,386

UNACEM CORP S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

June 30, 2023 and December 31, 2022

	As of June 30, 2022						
<i>In thousands of Soles</i>	Cement	Concrete	Electricity	Others	Total segments	Adjustments and eliminations	Consolidated
Revenues							
External customers	1,585,984	1,084,444	124,677	8,761	2,803,866	-	2,803,866
Inter-segments	180,845	60,201	54,998	297,177	593,221	(593,221)	-
Total revenues	1,766,829	1,144,645	179,675	305,938	3,397,087	(593,221)	2,803,866
Gross profit	583,690	115,426	84,503	271,039	1,054,658	(263,379)	791,279
Operating income (expenses)							
Administration expenses	(123,670)	(35,468)	(10,382)	(37,240)	(206,760)	14,980	(191,780)
Selling expenses	(36,490)	(15,022)	(2,853)	-	(54,365)	-	(54,365)
Other operating income (expense), net	(65,388)	(11,109)	562	(799)	(76,734)	66,340	(10,394)
Operating profit	358,142	53,827	71,830	233,000	716,799	(182,059)	534,740
Other income (expense)							
Share in net profits of associated companies	-	1,559	-	-	1,559	150	1,709
Financial income	3,375	1,060	109	3,700	8,244	(1,833)	6,411
Financial expenses	(45,997)	(11,636)	(7,225)	(30,878)	(95,736)	1,833	(93,903)
Exchange difference, net	24,080	(6,767)	7,813	(1,548)	23,578	-	23,578
Profit before income tax	339,600	38,043	72,527	204,274	654,444	(181,909)	472,535
Income tax	(106,818)	(4,852)	(21,840)	(31,451)	(164,961)	(5,296)	(170,257)
Net profit by segment	232,782	33,191	50,687	172,823	489,483	(187,205)	302,278
Segment profits before taxes	382,222	47,060	79,643	231,302	740,227	(267,692)	472,535

Eliminations and reconciliation

Financial income and expenses and gains and losses from changes in the fair value of the financial assets are not allocated to individual segments as the underlying instruments are managed centrally.

Current and deferred taxes and certain financial assets and liabilities are not charged to the segments as they are managed centrally as well.

<i>In thousands of Soles</i>	As of June 30, 2023	As of June 30, 2022
Reconciliation of profit or loss		
Segment profits before taxes before adjustments and eliminations	652,402	740,227
Financial income	8,801	6,411
Financial expenses	(128,362)	(93,903)
Share in net profits of associated companies	1,930	1,709
Elimination of transactions with related companies	(113,385)	(181,909)
Segment profits before taxes	421,386	472,535

Geographic Information

The above information on revenues and non-current assets, distributed according to the location of the customer, is as follows:

<i>In thousands of Soles</i>	As of June 30, 2023	As of June 30, 2022
Revenues from customers		
Peru	1,919,432	1,807,850
United States of America	498,406	473,783
Ecuador	299,524	299,616
Chile	245,643	212,924
Colombia	5,123	9,693
Total revenues according to the consolidated income statement	2,968,128	2,803,866

<i>In thousands of Soles</i>	As of June 30, 2023	As of December 31, 2022
Non-current assets		
Peru	7,017,297	6,475,899
United States of America	1,622,734	1,682,902
Ecuador	805,282	819,944
Chile	333,729	331,823
Colombia	24,522	22,825
Total non-current assets according to the consolidated statement of financial position	9,803,564	9,333,393

26. Subsequent Events

In the opinion of the Group's Management, between July 1, 2023 and the date of issuance of these consolidated financial statements, no other significant events of a financial-accounting nature have been identified that may affect the interpretation of these consolidated financial statements.