

UNACEM Corp S.A.A. and Subsidiaries

UNAUDITED Consolidated interim
financial information as of
September 30, 2022, and
December 31, 2021



UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES
Statement of Financial Position
For the periods ended September 30, 2022 and December 31, 2021
(In thousands of Soles)

	Notes	As of September 30, 2022	As of December 31, 2021
Assets			
Current Assets			
Cash and cash equivalents	5	376,209	399,755
Other Financial Assets		12,285	3,886
Trade Accounts Receivable and other accounts receivable		803,555	647,538
Trade Accounts Receivable , net	6	649,526	530,009
Other Accounts Receivable , net	6	55,449	62,990
Accounts Receivable from Related Companies	6	40,707	31,500
Advanced payments	6	57,873	23,039
Inventories	7	844,468	675,556
Biological Assets		-	-
Assets by Income Taxes	6	20,101	14,109
Other Non-Financial Assets		49,984	23,418
Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners		2,106,602	1,764,262
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		2,106,602	1,764,262
Non-Current Assets			
Other Financial Assets		-	-
Investments in subsidiaries, joint ventures and associates		24,453	20,961
Trade Accounts Receivables and other accounts receivables		86,493	89,260
Trade Accounts Receivable		-	-
Other Accounts Receivable	6	86,076	86,968
Accounts Receivable from Related companies		-	-
Advanced payments	6	417	2,292
Biological Assets		-	-
Investment Property		-	-
Property, Plant and Equipment , net	9	7,398,517	7,491,629
Intangible Assets , net	10	222,513	226,091
Assets Deferred Income Tax	14	209,432	206,404
Surplus value	11	1,178,859	1,178,802
Other Assets		144,926	145,889
Total Non-current Assets		9,265,193	9,359,036
TOTAL ASSETS		11,371,795	11,123,298

	Notes	As of September 30, 2022	As of December 31, 2021
Liabilities and Stockholders' Equity			
Current Liabilities			
Other Financial Liabilities	12	899,340	700,255
Trade accounts payable and other payable accounts		988,995	858,575
Trade Accounts Payable	13	658,124	556,438
Other Accounts Payable	13	285,720	281,547
Accounts payable to related companies	13	29,673	19,583
Deferred Income		15,478	1,007
Provision for Employee Benefits		-	-
Other provisions		68,893	88,814
Income tax liabilities		147,886	117,085
Other non-financial liabilities		11,486	8,554
Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale		2,116,600	1,773,283
Liabilities included in asset groups classified as held for sale		-	-
Total Current Liabilities		2,116,600	1,773,283
Non-Current Liabilities			
Other Financial Liabilities	12	2,904,055	3,227,779
Trade accounts payable and other payable accounts		32,107	37,950
Trade Accounts Payable		-	-
Other Accounts Payable	13	32,107	37,950
Accounts payable to related companies		-	-
Deferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		69,844	70,489
Liabilities Deferred Income Taxes	14	590,974	594,623
Other non-financial liabilities	8(b)y24.A	17,897	48,867
Total Non-Current Liabilities		3,614,877	3,979,708
Total Liabilities		5,731,477	5,752,991
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	-23,422	-11,610
Other Capital Reserves	15	363,626	363,626
Accrued Results	15	2,810,149	2,556,053
Other Equity Reserves	15	412,951	406,540
Shareholders' equity attribute to the owners of the Parent		5,343,413	5,094,718
Non Controlling interest		296,905	275,589
Total Stockholders' Equity		5,640,318	5,370,307
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		11,371,795	11,123,298



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

Income Statement

For the periods ended September 30, 2022 and 2021

(In thousands of Soles)

	Notes	For the specific quarter from July 1, to September 30, 2022	For the specific quarter from July 1, to September 30, 2021	For the cumulative period from January 1st to September 30, 2022	For the cumulative period from January 1st to September 30, 2021
Incomes from ordinary activities	16	1,570,494	1,355,549	4,374,360	3,635,637
Cost of Sales	17	-1,144,566	-957,315	-3,157,153	-2,584,225
Profit (Loss) Gross		425,928	398,234	1,217,207	1,051,412
Selling Expenses and distribution		-31,319	-30,152	-85,684	-78,399
Administrative expenses	18	-96,874	-79,274	-288,654	-226,414
Profit (Loss) in the write-off of financial assets carried at amortized cost		-	-	-	-
Other Operating Income	19	9,424	-45,081	31,905	61,120
Other Operating Expenses		-16,570	-6,915	-49,445	-33,623
Other profit (loss)		-	-	-	-
Profit (Loss) from operating activities		290,589	236,812	825,329	774,096
Financial Income		2,136	1,688	8,547	13,641
Financial Expenses	20	-50,119	-60,076	-144,022	-173,741
Exchange differences, net		-13,949	-36,424	9,629	-73,452
Share of Profit (Loss) in net results from Equity-Accounted Joint Ventures and related companies		1,809	4,658	3,518	5,937
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		230,466	146,658	703,001	546,481
Income tax expenses	14(a)	-67,727	-55,589	-237,984	-153,681
Profit (Loss) Net of Continued Operations		162,739	91,069	465,017	392,800
Profit (loss) net of the tax to the profit from discontinued operations		-	-	-	-
Profit (loss) net of the year		162,739	91,069	465,017	392,800
Profit (Loss) net, attributable to :					
Owners of the Parent		133,786	74,538	384,990	338,814
Non-controlling interest		28,953	16,531	80,027	53,986
Net Profit (Loss) of the Year		162,739	91,069	465,017	392,800



UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES
Statement of Comprehensive Income
For the periods ended September 30, 2022 and 2021
(In Thousands of Soles)

Notes	For the specific quarter from July 1, to September 30, 2022	For the specific quarter from July 1, to September 30, 2021	For the cumulative period from January 1st to September 30, 2022	For the cumulative period from January 1st to September 30, 2021
Net Profit (Loss) of the year	162,739	91,069	465,017	392,800
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	5,375	-701	26,833	3,935
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	70,418	126,346	-19,506	217,766
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	75,793	125,645	7,327	221,701
Other Comprehensive Income	75,793	125,645	7,327	221,701
Total Comprehensive Income for the period , net of income tax	238,532	216,714	472,344	614,501
Comprehensive Income attributable to:				
Owners of the Parent	208,262	197,330	391,401	556,192
Non-controlling interest	30,270	19,384	80,943	58,309
Total Comprehensive Income of the Year, net	238,532	216,714	472,344	614,501



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

Statement of Cash Flow

Direct Method

For the periods ended September 30, 2022 and 2021

(In thousands of Soles)

	Notes	As of January 1st, 2022 to September 30, 2022	As of January 1st, 2021 to September 30, 2021
Operating activities cash flows			
Types of cash collections from operating activities			
Sale of Goods and Services		5,693,695	4,164,155
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		6,478	10,375
Types of cash collections from operating activities			
Suppliers of goods and services		-3,752,446	-2,458,393
Contracts held for brokering or trading purposes		-	-
cash payments to and on behalf of employees		-632,679	-460,898
Elaboration or acquisition of assets to be leased and other assets held for sale		-	-
Other Cash Payments Related to Operating Activity		-332,028	-220,335
Cash flows and cash equivalents from (used in) Operating Activities		983,020	1,034,904
Interests received (not included in the Investment Activities)		-	-
Interests paid (not included in the Investment Activities)		-128,748	-157,847
Dividends Received (not included in the Investment Activities)		-	-
Dividends Paid (not included in the Investment Activities)		-	-
Income tax (paid) reimbursed		-217,985	-111,729
Other cash collections (payments)		-	-
Cash flows and cash equivalents from (used in) Operating Activities		636,287	765,328
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		11,817	3,662
Sale of intangible assets		-	-
Sale of other long- term assets		-	-
Government Subventions		-	-
Interests received		-	-
Dividends received		4	22,435
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		-	-
Purchase of Property, Plant and Equipment	9(b)	-252,439	-182,914
Purchase of intangible assets		-4,249	-8,417
Purchase of other long- term assets		-	-
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to Investment activities		-12,849	25,239
Cash flows and cash equivalents from (used in) Investing activities		-257,716	-139,995
Cash flows from Financing activities			
Type of cash collections from financing activities			
Loan securing		795,906	1,799,058
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		-930,592	-2,299,818
Leasing liabilities		-7,154	-10,288
Changes to the subsidiaries ownership interest not resulting in the loss of control		-12,977	-4,791
Redemption or repurchase of the entities' shares (Shares in the portfolio)		-11,812	-4,226
Acquisition of other equity interest		-	-
Interests paid		-	-
Dividends paid		-232,155	-86,991
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to financing activities		-	3,435
Cash flows and cash equivalents from (used in) financing activities		-398,784	-603,621
Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates		-20,213	21,712
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		-3,333	12,819
Increase (Decrease) in Net Cash and Cash Equivalents		-23,546	34,531
Cash and cash equivalents at beginning of year		399,755	561,120
Cash and cash equivalents at end of year	5	376,209	595,651



UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES
Statement of change in Stockholder's Equity
 For the periods ended September 30, 2022 and 2021
 (In Thousands of Soles)

Other Equity Reserves

	Capital Issued	Issuance Premiums	Investment shares	Treasury Shares in Portfolio	Other Capital Reserves	Accrued Results	Cash Flow Hedges	Investment Hedges, net of foreign businesses	Investments in equity instruments accounted at fair value	Exchange difference on translation of Foreign Operations	Non-current assets or groups of assets held for sale	Participation in other comprehensive income of related companies and joint ventures accounted for using the equity method	Revaluation Surplus	Actuarial Profit (Loss) on defined benefit pension plans	Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability	Subtotal	Shareholders' equity attribute to the owners of the Parent	Non-controlling Interest	Total Stockholders' Equity
Balance as of January 1, 2021	1,818,128	-38,019	-	-	363,626	2,253,019	-35,871	-	-	287,923	-	-	-	-	-	252,052	4,648,806	203,484	4,852,290
1. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Restated Initial Balance	1,818,128	-38,019	-	-	363,626	2,253,019	-35,871	-	-	287,923	-	-	-	-	-	252,052	4,648,806	203,484	4,852,290
4. Changes in Stockholders' Equity:																			
5. Comprehensive Income:																			
6. Gain (Loss) for the year						338,814											338,814	53,986	392,800
7. Other Comprehensive Income:							5,106			212,272						217,378	217,378	4,323	221,701
8. Comprehensive Income - Total year						338,814	5,106			212,272						217,378	556,192	58,309	614,501
9. Cash Dividends Declared						-83,634											-83,634	-3,773	-87,407
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						-5,562											-5,562	771	-4,791
15. Increase (decrease) for transactions with Treasury Shares in Portfolio																			
16. Increase (Decrease) for Transfer and other Equity Changes						1,274											1,274	1	1,275
Total Equity Increase (decrease)						250,892	5,106			212,272						217,378	468,270	55,308	523,578
Balance as of September 30, 2021	1,818,128	-38,019	-	-	363,626	2,503,911	-30,765	-	-	500,195	-	-	-	-	-	469,430	5,117,076	258,792	5,375,868
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						384,990											384,990	80,027	465,017
7. Other Comprehensive Income:							23,856			-17,445						6,411	6,411	916	7,327
8. Comprehensive Income - Total year						384,990	23,856			-17,445						6,411	391,401	80,943	472,344
9. Cash Dividends Declared						-126,507											-126,507	-31,907	-158,414
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						-393											-393	-24,498	-24,891
15. Increase (decrease) for transactions with Treasury Shares in Portfolio																	-11,812		-11,812
16. Increase (Decrease) for Transfer and other Equity Changes						-3,994											-3,994	-3,222	-7,216
Total Equity Increase (decrease)				-11,812		254,096	23,856			-17,445						6,411	248,695	21,316	270,011
Balance as of September 30, 2022	1,818,128	-38,019	-	-23,422	363,626	2,810,149	196	-	-	412,755	-	-	-	-	-	412,951	5,343,413	296,905	5,640,318

UNACEM Corp S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

As of September 30, 2022, and December 31, 2021

1. Corporate Background

A. Background and Economic Activity

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

As of September 30, 2022, and December 31, 2021, the Company is a subsidiary of Inversiones JRPR S.A. (hereinafter the Parent Company, which is the ultimate controlling party of the group). It holds 42.22 percent of the direct and indirect shares of its share capital. The Parent Company has power to govern the financial and operating policies of the Company.

The registered office of the Company is located at Av. Carlos Villarán N° 508, La Victoria, Lima, Perú.

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

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

Reorganization and change in name and corporate purpose

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

The reorganization plan aimed to set aside three equity blocks contributed by the Company to three wholly owned subsidiaries: UNACEM Peru S.A., Minera Adelaida S.A. and Inversiones Nacionales y Multinacionales Andinas S.A. (INMA).

The business unit UNACEM Peru S.A. is the new company specialized in the production and sale of clinker and cement in the country and to export. Consequently, all assets and liabilities related to the cement business, such as the production plant, the operation of the port terminal, the mining operation, the hydroelectric plants, and the thermal plant passed to UNACEM Perú S.A. Minera Adelaida S.A. received through the transfer the mining concessions not related to the main economic activity of UNACEM Perú S.A. On the other hand, Inversiones Nacionales y Multinacionales Andinas S.A. received through the transfer the properties not related to the main economic activity of UNACEM Perú S.A.

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

Likewise, at the shareholders' meeting, the change of name and corporate purpose of the Company was approved, being the new name UNACEM CORP SOCIEDAD ANÓNIMA ABIERTA. As of June 02, 2022, these changes are in the process of being registered with the National Superintendence of Public Registries (SUNARP).

The simple reorganization has no effect on the consolidated financial statements since it involves a distribution of assets and liabilities between UNACEM Corp and its subsidiaries.

UNACEM Corp S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

As of September 30, 2022, and December 31, 2021

B. Acquisitions 2021

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

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

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

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

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

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

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

B.2 Inversiones Mel 20 Ltda. (MEL20)

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

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

Inversiones Mel 20 Ltda. owns two ready-mix concrete plants located in Santiago, Chile, that have a production capacity of 336,000 m³/yr., and a fleet of concrete mixer trucks.

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

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

UNACEM Corp S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

As of September 30, 2022, and December 31, 2021

2. Information on the structure of the Subsidiaries

As of September 30, 2022, and December 31, 2021, the Company's consolidated statements include the following subsidiaries (figures according to IFRS and before eliminations for consolidation purposes):

In thousands of soles	Entity	Economic Activity	2022		2021		Asset		Liabilities		Net Equity		Profit (loss) (vi)	
			Direct (%)	Indirect (%)	Direct (%)	Indirect (%)	2022	2021	2022	2021	2022	2021	2022	2021
Country of Constitution(vii)														
Peru	UNACEM Perú S.A.--UNACEM Perú (see note 1.A)	Production and sale of cement	99.99	0.01	99.99	0.01	4,742,361	10	2,322,372	-	2,419,989	10	333,460	-
Peru/Ecuador	Inversiones Imbabura S.A. and Subsidiaries (i)	Production and sale of cement	100.00	-	100.00	-	2,138,091	2,176,107	494,192	487,172	1,643,899	1,688,935	42,888	91,387
United States	Skanon Investments Inc. and Subsidiaries (ii)	Production and sale of cement and concrete	95.83	-	95.80	-	1,977,670	1,878,389	852,557	754,667	1,125,113	1,123,722	39,501	9,365
Peru	Compañía Eléctrica el Platanal S.A. and Subsidiaries (iii)	Sale of energy and power	90.00	-	90.00	-	1,182,078	1,206,068	355,629	419,554	826,449	786,514	57,573	21,718
Peru/Chile	Inversiones en Concreto y Afines S.A. and Subsidiaries (iv)	Sale of concrete and premixed	93.38	-	93.38	-	1,003,597	930,363	588,643	520,459	414,954	409,904	8,448	46,285
Chile	Unacem Chile S.A. and Subsidiaries (1.B)	cement and concrete	99.89	0.11	99.89	0.11	261,449	256,578	173,712	133,171	87,737	123,407	(21,949)	(8,180)
Peru	Inversiones Nacionales y Multinacionales S.A. – INMA	Real estate business	99.77	0.23	90.90	9.10	116,642	18,268	23,196	4,936	93,446	13,332	(566)	12
Chile	Prefabricados Andinos S.A.- PREANSA Chile	Production and sale of Precast concrete	50.00	-	50.00	-	95,016	98,197	86,605	84,864	8,411	13,333	(3,213)	(1,235)
Peru/Colombia	Prefabricados Andinos Perú S.A.C. and Subsidiaries (v)	Production and sale of Precast concrete	50.00	-	50.00	-	57,164	65,487	48,650	53,397	8,514	12,090	(1,156)	(4,372)
Peru	ARPL Tecnología Industrial S.A.- ARPL	Technical support services	100.00	-	100.00	-	55,390	54,260	10,269	7,611	45,121	46,649	9,467	472
Peru	Generación Eléctrica de Atocongo S.A. - GEA	Power plant operation services	99.85	0.15	99.85	0.15	30,511	36,762	29,049	35,933	1,462	829	633	(1,481)
Peru	Minera Adelaida S.A.- MINERA	Extraction of non-ferrous metal ores	99.99	-	99.99	-	27,722	359	1,753	3	25,969	356	(1,612)	(204)
Peru	Vigilancia Andina S.A. – VASA	Surveillance services	55.50	44.50	55.50	44.50	14,027	13,055	6,344	5,944	7,683	7,111	768	597
Peru	Depósito Aduanero Conchán S.A.– DECOSA	Surveillance services	99.99	-	99.99	-	2,059	1,963	1,078	1,040	981	923	58	(170)
Peru	Digicem S.A. (before Transportes Lurín S.A.) – DIGICEM	Computer Services	99.99	-	99.99	-	1,528	1,032	1,923	-	(395)	1,032	(1,427)	(4,484)
Peru	Naviera Conchán S.A.- NAVIERA	Services	100.00	-	100.00	-	14	12	12	-	2	12	(12)	(9)

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

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

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

In the first half of 2022, the Company contributed cash to Skanon Investments Inc. for approximately S/12,498,000 (equivalent to US\$ 3,250,000), thus controlling 95.83 percent of Skanon's capital stock.

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

- (iii) The subsidiaries of Compañía Eléctrica el Platanal S.A. are: Ambiental Andina S.A.C., Celepsa Renovables S.R.L. (CERE) and Ecorer S.A.C.
- (iv) The subsidiary of Inversiones en Concreto y Afines S.A.(INVECO) is Unión de Concreteras S.A., which controls the subsidiaries: Concremax S.A., UNICON Chile S.A. and Entrepisos Lima S.A.C.
- (v) The subsidiary of Prefabricados Andinos Perú S.A.C. is: Prefabricados Andinos Colombia S.A.S.
- (vi) Balances as of September 30, 2022, compared to balances as of September 30, 2021.
- (vii) The subsidiaries and other affiliated companies have as their main domicile where they carry out their activities, the country where they are incorporated.

3. Summary of significant accounting policies

A. Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), effective as of September 30, 2022, and December 31, 2021.

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

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

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

B. Basis of consolidation

The interim consolidated financial statements include the financial statements of the Company and its subsidiaries as of September 30, 2022, and December 31, 2021.

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

C. Significant accounting policies

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

4. Standards issued but not yet effective

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

5. Cash and Cash Equivalents

This item is made up as follows:

<i>In thousands of soles</i>	As of September 30, 2022	As of December 31, 2021
Checking and savings accounts (a)	313,055	245,201
Term deposits (b)	61,636	153,159
Petty cash fund	1,518	1,395
	376,209	399,755

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

6. Trade and other Accounts Receivable, Net

This item is made up as follows:

<i>In thousands of soles</i>	Note	Current		Non-current	
		As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021
Trades:					
Receivable invoices and letters (a)		624,616	513,329	19,382	18,574
Provision of bills receivable		43,333	36,095	-	-
		667,949	549,424	19,382	18,574
Related:					
Accounts receivable from related parties	21(b)	40,707	31,500	-	-
Various:					
Advances to suppliers		57,873	23,039	417	2,292
Claims to Tax Administration (b)		11,027	8,155	72,326	73,632
Staff loans		7,703	7,680	7,771	8,176
Claims to third parties		7,223	7,437	-	-
Derivative financial instruments	24.A.i.	-	-	6,069	1,422
Other accounts receivable		15,306	18,508	3,234	2,919
		99,132	64,819	89,817	88,441
Taxes					
Payments on account of tax on Profits		20,101	14,109	-	-
Tax credit for general tax on Sales		21,048	28,068	996	819
		41,149	42,177	996	819
		848,937	687,920	110,195	107,834
Less – Expected credit loss (c)		(25,281)	(26,273)	(23,702)	(18,574)
		823,656	661,647	86,493	89,260

- (a) Trade receivables are mainly denominated in local and foreign currency, have current maturities, and do not earn interest. The bills receivable has a current maturity and accrue interest calculated at prevailing market rates.
- (b) As of September 30, 2022, and December 31, 2021, the balance corresponds to claims submitted to the Tax Administration mainly related to mining royalties, fines for payments on account, claims for payment of interest, among others, see note 23.D.

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

- (c) In the Group's Management opinion, the estimate of expected credit loss adequately covers the risk of uncollectibility as of September 30, 2022, and December 31, 2021.
- (d) As of September 30, 2022, and December 31, 2021, the Group evaluated the exposure to credit risk in trade accounts receivable, see note 24.B.

7. Inventories, Net

This item is made up as follows:

<i>In thousands of soles</i>	As of September 30, 2022	As of December 31, 2021
Replacement parts and supplies	349,532	291,295
Raw materials and auxiliary materials	263,702	176,413
Work-in-progress	204,727	202,151
Packaging	49,967	25,557
Finished goods	38,661	38,958
Goods in transit	2,865	3,583
	909,454	737,957
Provision for inventory obsolescence (a)	(64,986)	(62,401)
	844,468	675,556

- (a) In the Group's Management opinion, the estimate for inventory impairment reasonably covers the risk of impairment as of September 30, 2022, and December 31, 2021.

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

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

<i>In thousands of soles</i>	Note	As of September 30, 2022	As of December 31, 2021
Cost			
Initial balance		60,737	46,732
Additions		7,623	10,484
Acquisition of subsidiaries	1 B.	-	10,854
Withdrawals and others		(4,058)	(6,928)
Effects of translation		(1,973)	(405)
Final Balance		62,329	60,737
Accumulated depreciation			
Initial balance		36,480	24,173
Depreciation of the period (c)		6,999	11,773
Acquisition of subsidiaries	1 B.	-	5,000
Withdrawals and others		(3,928)	(4,224)
Effects of translation		(1,023)	(242)
Final balance		38,528	36,480
Net carrying amount		23,801	24,257

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

<i>In thousands of soles</i>	Note	As of September 30, 2022	As of December 31, 2021
Initial balance		24,840	22,978
Additions		7,700	10,805
Acquisition of subsidiaries	1.B	-	6,005
Lease payments		(7,154)	(15,876)
Others		315	687
Difference in exchange rate		(1,335)	241
Final balance		24,366	24,840
Classification according to maturity			
Current		11,486	8,345
Non-current		12,880	16,495
		24,366	24,840

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

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of September 30, 2021
Sales cost	17	6,574	8,790
Administration expenses	18	371	565
Selling expenses		54	25
		6,999	9,380

- (d) As of September 30, 2022, and December 31, 2021, the Group only has fixed-payment lease contracts.

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

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of December 31, 2021
Cost			
Initial balance		12,000,990	11,208,243
Additions (b)		287,573	433,965
Acquisition of subsidiaries(c)	1 B.	-	151,773
Withdrawals, sales, and others		(37,694)	(59,273)
Effects of translation		(49,690)	266,282
Final Balance		12,201,179	12,000,990
Accumulated depreciation			
Initial balance		4,509,361	3,947,849
Depreciation of the period (e)		335,393	453,128
Acquisition of subsidiaries(c)	1 B.	-	57,214
Withdrawals and others		(30,474)	(44,686)
Effects of translation		(11,618)	95,856
Final balance		4,802,662	4,509,361
Net carrying amount		7,398,517	7,491,629

- (a) As of September 30, 2022, the book value of the assets acquired through lease and finance leaseback contracts amounts to approximately S/ 92,995,000 (S/ 102,397,000 as of December 31, 2021). Leased assets guarantee finance lease liabilities, see note 12.A(b).
- (b) The additions during the year 2022 correspond mainly to:
- i. Additions of the subsidiary UNACEM Peru for projects of new bagging machine 6 and palletizers, dedusting system of the cooler of kiln 3, of calcined clay in kiln 1, improvements in roller press, modernization of Carpapata 1 and 2 substations; corresponding to the Condorcocha plant. Likewise, disbursements made for the projects of bagging machine 8 and palletizers, structural reinforcement of chamber 2 of the multisilo, improvements in the primary crusher, improvements in cement mill 3, system of ecological belts - Manchay; corresponding to the Atocongo plant for a total of approximately S/53,254,000.
 - ii. Additions of Drake Cement subsidiary for a comprehensive mill project and improvements to the crude mill and mechanical workshop for approximately US\$ 16,500,000 (equivalent to S/65,637,000).
 - iii. Additions of Sunshine Concrete & Materials Inc subsidiary for the acquisition of equipment to produce aggregates for approximately US\$ 2,954,000 (equivalent to S/ 11,752,000).

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- iv. Additions to works in progress of UNACEM Ecuador subsidiary for projects of the Mill spare reducer of Cement 2, increased production capacity of Kiln 1 and Biomass conditioning to increase Fuel, VDF Variator for Kiln 1 and Phase 2 Multiguel Project for approximately US\$3,718,000 (equivalent to S/14,790,000).
- v. Additions of PREANSA Chile subsidiary for a mobile plant project for the construction of an industrial bridge for approximately S/ 10,630,000.
- vi. Additions of UNICON Peru subsidiary for acquisitions of mixer trucks and front loaders for S/11,348,000 and overhaul of trucks for approximately S/ 4,723,000.
- vii. Additions of UNICON Chile for acquisitions of mixer trucks, front loaders and cranes for S/4,389,000 and truck overhaul for approximately S/ 3,011,000.
- viii. Additions of Concremax subsidiary for overhaul of trucks and machinery and equipment for approximately S/ 4,789,000.

The additions during the year 2021 correspond mainly to:

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

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

- (e) Depreciation has been distributed as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of September 30, 2021
Sales cost	17	321,576	319,721
Administration expenses	18	11,089	10,716
Selling expenses		554	572
Other expenses		2,174	1,640
		335,393	332,649

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

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

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

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

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

10. Intangible Assets, Net

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of December 31, 2021
Cost			
Initial balance		373,566	352,303
Additions		5,444	8,310
Withdrawals and others		203	(2,328)
Effects of translation		(684)	15,281
Final Balance		378,529	373,566
Accumulated amortization			
Initial balance		147,475	132,744
Amortization of the period (a)		8,759	14,053
Withdrawals and others		7	265
Effects of translation		(225)	413
Final balance		156,016	147,475
Net carrying amount		222,513	226,091

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

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of September 30, 2021
Sales cost	17	3,059	3,325
Administration expenses	18	3,948	2,536
Selling expenses		1,687	2,405
Other expenses		65	2,303
		8,759	10,569

11. Goodwill

As of September 30, 2022, and December 31, 2021, the balance of goodwill is mainly composed of the higher amount paid for the acquisition of UNACEM Ecuador, which amounts to S/1,023,795,000.

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12. Other Financial Liabilities

This item is made up as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022			As of December 31, 2021		
		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bonds and bank loans	12.A	619,372	2,904,055	3,523,427	360,721	3,227,779	3,588,500
Promissory notes (a) & (b)		259,727	-	259,727	315,546	-	315,546
Overdrafts (c)		20,241	-	20,241	23,988	-	23,988
		899,340	2,904,055	3,803,395	700,255	3,227,779	3,928,034

- (a) It corresponds to working capital loans at a fixed interest rate ranging from 6.66% and 7.66% annually and in dollars at 3.42%. They do not have specific collaterals and are renewed based on the Group's working capital requirements. As of September 30, 2022, and December 31, 2021, the balance by bank is made up as follows:

<i>In thousands of soles</i>	Original currency	Maturity date	As of September 30, 2022	As of December 31, 2021
Financial entities				
Banco de Crédito del Perú	S/ & US\$	Between April and June 2023	239,727	315,546
Scotiabank del Perú	S/	November 2022	20,000	-
			259,727	315,546

- (b) As of September 30, 2022, and December 31, 2021, interest payable on bank promissory notes amounted to approximately S/ 4,029,000 and S/389,000, respectively, and are recorded in the caption "Commercial and miscellaneous accounts payable" in the statement consolidated statement of financial position, see note 13. As of September 30, 2022, and 2021, interest expenses amounted to approximately S/ 9,064,000 and S/ 1,964,000, respectively and are included in the caption "Borrowing cost" of the consolidated statement of income, see note 20.
- (c) As of September 30, 2022, and December 31, 2021, overdrafts correspond mainly to obligations of Skanon and subsidiaries with different financial entities in US dollars for a total of US\$ 6,000,000 (equivalent to S/ 23,988,000) and US\$ 5,000,000 (equivalent to S/ 19,920,000), respectively.

A. Bonds and Bank Loans

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

<i>In thousands of soles</i>	As of September 30, 2022	As of December 31, 2021
Corporate bonds (a)	467,060	467,533
Bank loans (b)	3,056,367	3,120,967
Total	3,523,427	3,588,500
Less: Current portion	619,372	360,721
Non-current portion	2,904,055	3,227,779

(a) As of September 30, 2022, and December 31, 2021, the balance of corporate bonds are as follows:

<i>In thousands of soles</i>	Effective annual interest rate %	Maturity date	As of September 30, 2022	As of December 31, 2021
Bonds				
Bonds of Arizona (i)	Between 1.6 and 1.95 + variable interest rate	September 2035	458,160	459,770
Corporate bonds of Peru	5.16	March 2023	18,815	18,815
			476,975	478,585
Amortized cost			(9,915)	(11,052)
			467,060	467,533

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

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

The bonds have the following conditions:

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

In management's opinion, Drake Cement L.C.C. has complied with the restrictive consideration and the covenant required by the Yavapai County as of September 30, 2022, and December 31, 2021.

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

<i>In thousands of soles</i>	Maturity date	Original amount	Currency	Use of funds	Warranties	As of September 30, 2022	As of December 31, 2021
Bank loans							
	October 2024, March 2025 and						
Scotiabank del Perú	January 2027	671,547	S/	Refinancing of financial liabilities	No collateral	646,547	671,547
BBVA Perú	January 2027	533,357	S/	Refinancing of financial liabilities	No collateral	533,357	533,357
Banco de Crédito del Perú	October 2026	502,500	S/	Redemption – overseas	No collateral	502,500	502,500
Banco Internacional del Perú	January 2027	228,385	S/	Refinancing of financial liabilities	No collateral	228,385	228,385
Citibank N.A. (i)	October 2025	50,000	US\$	Refinancing of financial liabilities	No collateral	159,360	199,900
Santander S.A. (i)	November 2023	45,000	US\$	Refinancing of financial liabilities	No collateral	179,280	179,910
Santander S.A.	April 2023	35,000	US\$	Working capital and investments	No collateral	139,440	139,930
Banco de Crédito del Perú (12.A.c. (iii))	March 2027	34,000	US\$	Refinancing of financial liabilities	No collateral	121,910	135,932
Banco Internacional del Perú	May 2027	26,900	US\$	Refinancing of financial liabilities	No collateral	104,490	-
Bank of Nova Scotia (i)	September 2025	30,000	US\$	Partial redemption – overseas	No collateral	71,712	89,955
Banco de Crédito e Inversiones (Chile)	June 2024	-	CLP	-	Real estate collateral, see note 9(g)	69,459	79,192
Scotiabank del Perú	April 2025	72,000	S/	Acquisition loan to purchase UNICON Chile	Real estate collateral, see note 9(g)	39,600	50,400
BBVA Perú	December 2024	28,773	S/	-	No collateral	23,280	28,773
Citibank N.A. (New York)	July 2024	-	US\$	-	No collateral	21,911	27,487
Banco Scotiabank (Chile) (i)	November 2022	4,000	US\$	-	Letter of credit, see note 23.A) (i)	15,841	15,887
BBVA Banco Continental (i)	December 2023	-	COP	-	Letter of credit, see note 23.A) (i)	10,907	11,857
Banco Internacional del Perú (ii)	Between March 2023 and September 2023	34,387	S/	Working capital	Reactiva Peru program	3,965	17,379
Less than S/ 10,000,000	-	-	-	-	-	43,471	65,776
						2,915,415	2,978,167
Amortized cost						(7,936)	(10,577)
Total						2,907,479	2,967,590
Sale and leaseback transactions							
Scotiabank (Chile)	March 2024	-	CLP	Leased assets	-	1,473	2,283
						1,473	2,283
Finance leases							
Consorcio Transmataro S.A. (Perú)	July 2039	-	US\$	Leased assets	-	60,244	60,920
Scotiabank del Perú	Between November 2022 and May 2025	-	-	Leased assets	-	21,149	25,549
Bok Financial Corporation	Between December 2025 and December 2026	-	US\$	Leased assets	-	21,686	24,445
Less than S/ 10,000,000						37,430	34,061
						140,509	144,975
Debt factoring							
						6,906	6,119
Total						3,056,367	3,120,967

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- (i) The Group entered swap contracts to reduce the risk of the variable interest rate related to these loans, see note 24.A.i.
 - (ii) As of September 30, 2022, and December 31, 2021, the Group has a balance of long-term loans for approximately S/ 3,965,000 and S/ 17,379,000 from different local banks under the loan guarantee scheme (Reactiva Peru program), a scheme created through Legislative Decree 1457 to provide loans to entities in response to the COVID-19 crisis. As of September 30, 2022, such loans accrue interest between 0.98% to 1.18% annually, mature between March 2023 and September 2023 and include a grace period of 12 months.
- (c) Management monitors covenants applicable to local financial liabilities on a quarterly, semiannual and annual basis and must be calculated based on i) separate financial information of the Company and its subsidiaries, ii) combined financial information of the Company and the subsidiary UNACEM Peru (as if the simple reorganization had not been carried out) and iii) consolidated financial information; the same ones that must consider the calculation methodologies required by each financial entity.
- (i) As of September 30, 2022, the main covenants calculated based on the separate financial statements are the following:

UNACEM Perú S.A.

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

UNACEM Ecuador S.A.

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

Unión de Concreteras S.A.

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

Concremax S.A.

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

UNACEM Chile S.A.

- Maintain a debt service coverage ratio greater or equal to 3.5 times.
- Maintain a debt-to-equity ratio of less than or equal to 1.35 times.
- Maintain a net debt-to-EBITDA ratio of less than or equal to 6.5 times.

UNICON Chile S.A.

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

Compañía Eléctrica el Platanal S.A.

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

- (ii) As of September 30, 2022, the main financial statements based on the combined financial information of the Company and UNACEM Peru are the following:
 - Maintain a debt-to-equity ratio of less than or equal to 1.5 times.
 - Maintain a debt service coverage ratio greater or equal to 1.2 times.
 - Maintain a debt or financial debt/EBITDA coverage ratio of less than 4.0 times for the

year 2022 and 3.75 times from the year 2023 onwards.

- (iii) As of September 30, 2022, the main covenants calculated based on the consolidated financial statements are the following:

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

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

Skanon Investments Inc. and Subsidiaries

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

The debt related to the consolidated covenant was paid in full as of September 30, 2022, by UNACEM Peru and was transferred to Skanon.

In the Group Management's opinion, the Company and its subsidiaries has complied with the financial covenants as of September 30, 2022. As of December 31, 2021, the Company and its subsidiaries have complied with the financial covenants, except for UNICON Chile and PREANSA Peru, whose obligations expire in the short term. These breaches have no effect on the other obligations of the Company and its Subsidiaries.

- (d) As of September 30, 2022, and December 31, 2021, interest payable on medium- and long-term bonds and debt amounted to approximately S/ 21,216,000 and S/ 19,435,000, respectively. It is recognized in 'trade and other accounts receivable' in the consolidated statement of financial position, see note 13.

The interest on bonds and bank loans as of September 30, 2022, and 2021, amounted to approximately S/ 115,182,000 and S/ 131,649,000, respectively. It is recognized in "Borrowing cost" in the consolidated statement of profit or loss, see note 20.

- (e) As of September 30, 2022, the Group has bank loans in local currency (soles) at effective annual interest rates ranging from 2.26% to 7.91%. Bank loans in foreign currency (U.S. dollars) are at a variable interest rate (3-month LIBOR and 1-month LIBOR plus a margin) ranging from 1.75% to 2.60% and a fixed interest rate ranging from 0.85% to 12%.

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

13. Trade and Other Accounts Payable

This item is made up as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of December 31, 2021
Trade accounts payable (a)		658,124	556,438
Compensation and holidays payable		89,727	56,101
Customer advances		67,458	41,398
Accounts payable to related parties	<i>21(b)</i>	29,673	19,583
Interest payable	<i>12(b) & 12.A(d)</i>	25,245	19,824
Taxes, social security contributions payable		24,460	25,381
Accounts payable from acquisition of property, plant and equipment		19,080	22,746
Sales tax payable		17,977	11,977
Payment of dividends	<i>15(f)</i>	14,131	87,846
Community commitments		14,108	16,855
Account payable for purchase of minority shares	<i>23.A(iv)</i>	12,948	-
Loans payable to third parties		9,531	9,356
Compensation to Board of Directors		5,705	6,439
Interest on financial instruments payable		664	2,474
Other accounts payable		16,793	19,100
		1,005,624	895,518
Classification by maturity:			
Current		973,517	857,568
Non-current		32,107	37,950
		1,005,624	895,518

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

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

The obligations to suppliers, including accounts payable, remain in place according to contractual terms. As of September 30, 2022, and December 31, 2022, accounts payable amount to S/ 119,132,000 and S/96,271,000, respectively.

14. Income Tax

Movement in the deferred tax liabilities is as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of December 31, 2021
Deferred tax assets			
Initial balance		387,786	358,170
Effects on consolidated statement of profit or loss (a)		(13,758)	14,979
Debit to other comprehensive income		(8,682)	(6,018)
Acquisition of subsidiaries	1 B.	-	3,016
Others		2,286	(49)
Effects of translation		(1,753)	17,688
Final Balance		365,879	387,786
Deferred tax assets			
Initial balance		(776,005)	(775,928)
Effects on consolidated statement of profit or loss (a)		29,112	22,988
Acquisition of subsidiaries	1 B.	-	(13,659)
Others		(2,288)	-
Effects of translation		1,760	(9,406)
Final balance		(747,421)	(776,005)
Total deferred tax assets, net		(381,542)	(388,219)

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

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of September 30, 2021
Current		(249,173)	(184,240)
Deferred tax		15,354	23,652
Others		(4,165)	6,907
		(237,984)	(153,681)

15. Net equity

A. Issued capital

As of September 30, 2022, and December 31, 2021, the subscribed and paid-in capital is represented by 1,818,127,611 ordinary shares at a face value of S/ 1 each. The Company's ordinary shares are listed in the Lima Stock Exchange.

	As of September 30, 2022	
	Number of shares	Interests (%)
Shareholders		
Inversiones JRPR S.A. (*)	483,489,609	26.59
Nuevas Inversiones S.A.	459,129,497	25.25
AFP's	472,861,626	26.01
Others	402,646,879	22.15
	1,818,127,611	100.00

(*) On September 27, 2022, the Company informed the Securities Market Superintendence (SMV) of the merger by absorption of Inversiones JRPR S.A. (absorbent) and Catli Invesments S.A.C. (absorbed), said merger became effective on the same date. With this merger, the direct participation of Inversiones JRPR S.A. in the property of UNACEM Corp it went from 25.12% to 26.59%. It is worth mentioning that this merger does not imply changes in the control or indirect ownership of Inversiones JRPR S.A. at UNACEM Corp S.A.A.

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

As of September 30, 2022, the share price of each ordinary share was S/ 1.68 (S/ 2.40 as of December 31, 2021).

B. Additional capital

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

C. Treasury shares

The Board of Directors' Meeting, held on August 20, 2021, approved the purchase of shares for up to S/ 36,400,000, without exceeding 2% of issued shares the same that was extended in Board meetings of December 22, 2021 and June 28, 2022, extending the term to purchase shares until December 31, 2022. The shares are held in the portfolio for a maximum period of two years. Where they are held in the portfolio, rights inherent to the shares are suspended. The term may be extended and/or modified by the Company's Board of Directors.

As of September 30, 2022, the Company holds 12,904,000 treasury shares equivalent to S/ 23,422,000 (7,289,000 treasury shares equivalent to S/ 11,610,000, as of December 31, 2021).

D. Legal reserve

According to the Companies Act, the Group shall allocate not less than 10% of its profits distributed in each period, less income tax. This allocation is required until such reserve equals 20% of capital. The legal reserve may be used to offset losses, but it shall be restored. As of September 30, 2022, and December 31, 2021, the legal reserve reached a maximum of 20% of the issued capital.

E. Unrealized gains and losses

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

F. Dividend distribution

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

2022 dividends

<i>In thousands of soles</i>	Dividends declared and paid	Date of payment	Dividends per ordinary share
Date of Board of Directors' Meeting			
January 26th, 2022	36,194	28.01.2022	0.020
April 27, 2022	54,202	30.05.2022	0.030
July 2022	36,111	31.08.2022	0.020
	126,507		

2021 Dividends

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

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

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

In 2022, the subsidiary Desert Ready Mix and Desert Aggregates, CELEPSA and UNACEM Ecuador distributed dividends to their non-controlling shareholders for approximately S/ 29,501,000, S/ 1,698,000 and S/ 708,000, respectively. In 2021, UNACEM Ecuador subsidiaries, Entrepisos, Inveco, Ambiental Andina distributed dividends to their non-controlling shareholders for approximately S/286,000, S/2,536,000, S/ 3,990,000 and S/206,000, respectively.

As of September 30, 2022, the Group maintains a balance pending payment of dividends for approximately S/14,131,000 (S/ 87,846,000 as of December 31, 2021), see note 13.

G. Gains or losses on translation

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

In 2021 and 2022, the effects of exchange differences attributable to non-controlling interests recognized in the consolidated statement of comprehensive income resulted in gains and losses for approximately S/17,445,000 and S/ 142,277,000, respectively.

H. Unpaid dividends

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

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16. Net Sales

This item is made up as follows:

<i>In thousands of soles</i>	As of September 30, 2022	As of September 30, 2021
Operating segments		
Cement	2,480,196	2,105,312
Concrete	1,695,096	1,374,680
Power and energy	185,201	142,039
Other services	13,867	13,606
	4,374,360	3,635,637
Timing of transfer of goods or services		
Goods transferred at a point in time	4,096,211	3,406,692
Services transferred at a point in time	278,149	228,945
	4,374,360	3,635,637

17. Cost of Sales

This item is made up as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of September 30, 2021
Beginning inventory of finished goods and work-in-progress	7	241,109	193,421
Production costs			
Use of raw materials		727,856	599,503
Fuel		532,814	395,369
Personnel expenses		498,036	447,613
Depreciation	9(e)	321,576	319,721
Maintenance costs		250,665	200,904
Transport costs and import duties		144,532	70,257
Electric power		138,523	102,607
Use of packaging		105,090	82,260
Site preparation (quarries)		7,978	8,160
Depreciation of right-of-use assets	8(c)	6,574	8,790
Depreciation of stripping activity assets		5,076	5,136
Provision for inventory obsolescence		4,542	2,084
Amortization	10(a)	3,059	3,325
Acquisition of subsidiaries	1.B	-	10,345
Other production costs		413,111	343,112
Ending inventory of finished goods and work-in-progress	7	(243,388)	(208,382)
		3,157,153	2,584,225

18. Administrative Expenses

This item is made up as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of September 30, 2021
Personnel expenses		160,005	117,810
Third-party services		62,498	53,254
Taxes		13,320	10,639
Donations		12,281	16,408
Depreciation	9(e)	11,089	10,716
Wide range of Load management		8,506	5,434
Amortization	10(a)	3,948	2,536
Estimate for expected credit loss		3,079	1,072
Depreciation of right-of-use assets	8(c)	371	565
Others		13,557	7,980
		288,654	226,414

19. Other Income

As of September 30, 2021, because of the acquisition of UNACEM Chile, the Group recognized a negative goodwill for approximately S/ 9,436,000, which was adjusted as of December 31, 2021, to S/ 9,447,000. Likewise, the Company received dividends from its related Ferrocarril Central Andino S.A. for approximately S/18,879,000.

20. Borrowing Costs

As of September 30, 2022, and 2021, this item is mainly composed of interest on bonds issued and debts with banks for S/ 124,246,000 and S/ 133,613,000, respectively (see note 12 (b) and 12.A(d)).

21. Related Party Transactions

(a) The main transactions with related entities as of September 30, 2022, and 2021 were as follows:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021
Revenue			
Sale of cement			
La Viga S.A.		440,907	366,687
Asociación UNACEM		178	110
Dividends earned			
Ferrocarril Central Andino S.A.		-	18,879
Master Builders Solutions Perú S.A.		-	3,553
Costs and/or expenses			
Donations			
Asociación UNACEM		11,365	18,332
Purchase of additives			
Master Builders Solutions Perú S.A.		43,433	36,349
Fees and import duties for sale of cement			
La Viga S.A.		24,796	21,441
Other expenses			
Master Builders Solutions Perú S.A.		2,550	3,267
Other income			
Master Builders Solutions Perú S.A.		1,743	1,080
Asociación UNACEM		148	189
La Viga S.A.		142	152

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

<i>In thousands of soles</i>	<i>Note</i>	As of September 30, 2022	As of December 31, 2021
Accounts receivable	6		
La Viga S.A.		38,938	30,252
Master Builders Solutions Perú S.A.		357	302
Others		1,412	946
		40,707	31,500
Accounts payable	13		
Master Builders Solutions Perú S.A.		25,095	16,151
La Viga S.A.		4,558	3,415
Others		20	17
		29,673	19,583

- (c) The Group conducts its operations with related entities under the same conditions as those made with third parties, therefore there is no difference in pricing policies or the settlement of tax base, in relation to the payment, and they do not differ with the policies issued to third parties.
- (d) The total remuneration paid to Group's directors and key members of management as of September 30, 2022, is amounting to approximately S/12,225,000 (as of September 30, 2021 for approximately S/20,287,000 as of September 30, 2021), which include short-term benefits and compensation for time served.
- (e) As of September 30, 2022, and December 31, 2021, there were no changes in the Parent Company, Nuevas Inversiones S.A., or in the ultimate controlling party, Inversiones JRPR S.A.

22. Earnings per Share

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

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

<i>In thousands of soles</i>	As of September 30, 2022	As of September 30, 2021
Numerator		
Profit or loss attributable to ordinary equity holders	384,990	338,814
<i>In thousands</i>	As of September 30, 2022	As of September 30, 2021
Denominator		
Weighted average number of outstanding shares (ordinary shares)	1,818,128	1,818,128
<i>In soles</i>	As of September 30, 2022	As of September 30, 2021
Net basic and diluted earnings per share	0.212	0.186

As of September 30, 2022, and 2021, the Company held 12,904,000 and 2,994,000 treasury shares, respectively.

23. Contingencies and Commitments

A. Financial and purchase commitments

- (i) As of September 30, 2022, the subsidiaries maintain the following current letters of guarantee:
- A letter of guarantee issued for UNACEM Perú by Banco de Crédito del Perú S.A. on behalf of MINEM to ensure the execution of the mine closure plan of its mining concessions for US\$1,884,000, equivalent to S/ 7,506,000, maturing in January 2023, to ensure compliance of the Mine Closure of its mining concessions.
 - A letter of guarantee issued for UNACEM Perú by Banco de Crédito del Perú S.A. on behalf of the Ministry of Production, by a total approximate of US\$ 4,220,000, equivalent to S/ 16,812,000 with a maturity on January 2023, in order to ensure compliance of the Mine Closure of its mining concessions.
 - Letters of guarantee granted by UNACEM Perú in favor of SUNAT for a total of S/ 7,171,000 and US\$ 65,000 due in November 2022, January 2023, and April 2023, in order to guarantee the customs tax debt.
 - A letter of guarantee issued for UNACEM Perú on behalf of third parties for a total of S/ 409,000 due in January 2023.
 - Letters of guarantee issued by financial institutions on behalf of UNICON Perú and CONCREMAX to ensure the supply of concrete to customers for approximately S/ 105,101,000.
 - Letters of guarantee issued by financial institutions on behalf of ENTREPISOS to ensure the supply of slabs and precast concrete products to customers, for approximately S/ 917,000.
 - Letters of guarantee issued by financial institutions on behalf of UNICON Chile to ensure the supply of concrete to customers for approximately S/ 201,000.
 - Letters of guarantee issued by financial institutions on behalf of Depósito Aduanero Conchán S.A. To ensure the fulfillment of obligations related to customs warehousing in accordance with the General Customs Law, regulations, and other applicable administrative provisions. They amount to US\$ 100,000, equivalent to S/ 398,000.
 - A letter of guarantee issued by Scotiabank Perú and granted by CELEPSA on behalf of Consorcio Transmantaro S.A. for US\$ 3,000,000 to ensure the fulfillment of contractual obligations related to the energy conversion contract for the complementary transmission system. It matures in July 2023.
 - On September 23, 2016, Scotiabank Chile approved a credit facility of up to US\$ 4,000,000 on behalf of PREANSA Chile, which is secured by a letter of credit of PREANSA Peru. issued by Scotiabank Perú. It matures in September 2023.
 - On December 13, 2016, BBVA Colombia approved a credit facility of up to US\$ 3,550,000 on behalf of PREANSA Colombia, which is secured by a letter of credit of PREANSA Perú issued by BBVA Peru. It matures in January 2024.
 - Vigilancia Andina S.A. has letters of guarantee issued by financial institutions to ensure the fulfillment of payment obligations related to salaries of employees under fixed-term employment contracts for approximately S/ 2,792,000.

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

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

(iii) Letter of indemnity

Skanon Investments Inc. subsidiary establishes indemnification provisions under agreements with other entities—i.e., trading partners, customers, property owners, lenders and lessors—in the normal course of business. Under such provisions, Skanon Investments Inc. generally indemnifies and holds harmless the indemnified party in respect of any loss or damage suffered by the indemnified party because of its activities or, in some cases, because of the indemnified party's activities. The maximum number of future payments that Skanon Investments Inc. could make under the provisions is unlimited. Skanon Investments Inc. did not incur material costs to defend claims or settle claims related to the indemnification provisions. Accordingly, Skanon Investments Inc. considers that the fair value of these provisions is low. As of September 30, 2022, and December 31, 2021, the Group's Management has no liabilities recorded under the indemnification provisions.

(iv) Purchase option

In accordance with the third addendum to the limited liability company operating agreement, dated September 1, 2007, Skanon has the option to purchase non-controlling interests in Drake Cement. From January 1, 2009, Skanon has the option, but not the obligation, to purchase non-controlling interests at any time at fair value. The fair value will be measured by mutual agreement at the General Shareholders' Meeting. As of September 30, 2022, Skanon has exercised this option, acquiring a 4.348% minority interest for approximately US\$ 6,500,000 (equivalent to S/ 24,843,000), thus directly controlling 98.39 % of Drake Cement capital share (at December 31, 2021 maintained 94.04 %).

As of September 30, 2022, there is an outstanding balance of approximately US\$ 3,250,000 (equivalent to S/12,948,000), see note 13.

B. Finance leases

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

	As of September 30, 2022		As of December 31, 2021	
	Minimum lease payments	Present value of lease payments	Minimum lease payments	Present value of lease payments
<i>In thousands of soles</i>				
In 1 year	38,507	29,311	48,398	35,876
Between one to more years	225,228	112,671	229,088	111,382
Total, payments to be done	263,735	141,982	277,486	147,258
Less: Borrowing costs	(121,753)	-	(130,228)	-
Present value of minimum lease payments	141,982	141,982	147,258	147,258

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C. Tax situation

- (i) The subsidiaries of the Group are subject to the tax laws of the country in which they operate and to taxes separately based on their non-consolidated income. As of September 30, 2022, and December 31, 2021, the income tax rates of the countries in which the Group operates are as follows:

In percentages	Tax rates	
	2022	2021
Peru	29.5	29.5
Ecuador	25.0	25.0
United States (*)	21.0 and 4.9	21.0 and 4.9
Chile	27.0	27.0

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

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

Based on the business analysis, it is the opinion of management and its legal advisors that no significant contingencies will arise as of September 30, 2022, and December 31, 2021 from the application of such regulations.

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

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

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	Period subject to tax assessments
UNICON Chile S.A.	2018 – 2021
In Colombia	
Prefabricados Andinos Colombia S.A.S.	2017 – 2021
In United State of America	
	2017 – 2021

Due to the possible interpretations of the applicable laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Group. Therefore, any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are determined. It is the opinion of management and its legal advisors that any possible additional settlement of taxes would not be significant for the consolidated financial statements as of September 30, 2022, and December 31, 2021.

- (iv) (As of September 30, 2022, and December 31, 2021, tax loss carryforwards of subsidiaries are as follows:

<i>In thousands of soles</i>	2022	2021
Skanon Investments Inc. and Subsidiaries (a)	2,322,063	2,320,311
Compañía Eléctrica el Platanal S.A. and Subsidiaries (b)	228,403	274,926
Prefabricados Andinos S.A.– PREANSA Chile(c)	45,438	42,707
Prefabricados Andinos Perú S.A.C. – PREANSA Perú (b)	16,034	16,172
Prefabricados Andinos Colombia S.A.S (c)	8,018	9,160
UNICON Chile S.A. (c)	3,988	4,547
Depósito Aduanero Conchán S.A. (b)	1,823	1,854
Generación Eléctrica de Atocongo S.A.(b)	675	-
Digicem S.A. (b)	492	489
Inversiones Imbabura S.A. (b)	768	1,013
Other minor Peruvian subsidiaries(b)	1,984	414

- (a) The tax loss carries forwards of subsidiaries domiciled in the United States amount to US\$ 583,726,000 (equivalent to S/ 2,322,063,000). According to management, the federal and state losses for US\$ 312,474,000 and US\$ 271,252,000, respectively (equivalent to S S/ 1,243,022,000 and S/ 1,079,041,000, respectively).

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

- (b) The Managers of each subsidiary in Peru with tax loss carry forwards have therefore chosen the option to offset the tax loss up to 50 percent of the taxable income generated each year, indefinitely, as well as the option to offset the tax loss in the four years starting from the date of its generation.
- (c) The tax loss carryforwards of subsidiaries domiciled in Chile and Colombia will be offset against the future taxable profits of subsidiaries in accordance with applicable tax laws.

- (v) As of September 30, 2022, the net outstanding balance, net of income tax, amounts to approximately S/ 127,785,000 (as of December 31, 2021 amounted to S/ 102,976,000).

D. Contingencies

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

Peru

i. Tax assessments

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

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- Income tax for the years 2000 and 2001
- Income tax for the years 2004 and 2005.
- Income tax for the years 2009.
- Fines for income tax for the year 2013.
- Fines for interest on down payments of income tax for the year 2014.
- Contribution to the retirement fund for mining, metallurgical and steel workers for the years from 2013 to 2016
- Mining royalties of Former Cementos Lima for the years 2008 and 2009.
- Mining royalties of Former Cementos Andino for the year 2008.

As of September 30, 2022, and December 31, 2021, the Company maintains balances receivable related to said tax processes, because, in the opinion of the Company's Management and its legal advisors, there are reasonable arguments to obtain a favorable outcome, see note 6(b).

E. Environmental commitments

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

24. Financial Risk Management

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

A. Market risk

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

The sensitivity analyses included in the following notes are related to the consolidated financial statements as of September 30, 2022, and December 31, 2021.

The Group prepared sensitivity analyzes based on the assumption that the variables (net debt, fixed and variable interest rates of debt and hedging instruments, and financial instruments in foreign currency) are held constant as of September 30, 2022, and December 31, 2021.

i. Interest rate risk

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

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▪ **Hedging instruments**

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

As of September 30, 2022						
Borrower	Currency	Benchmark amount (000)	Maturity date	Receives variable rate at:	Fixed-rate	Fair value (000)
Asset						
Santander S.A.	US\$	45,000	November 2023	3-month LIBOR + 1.85%	5.030%	2,360
Bank of Nova Scotia	US\$	30,000	September 2025	3-month LIBOR + 2.60%	5.660%	1,424
Banco de Crédito e Inversiones (BCI) (Chile)	CLP	2,692,424	November 2027	6.78%	3.377%	1,195
Banco Scotiabank (Chile)	US\$	3,355	October 2023	1-month LIBOR + 1.85%	5.550%	872
Citibank N.A.	US\$	50,000	October 2025	3-month LIBOR + 1.75%	5.700%	218
Total						6,069

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

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The effective portion of changes in the fair value of financial instruments that qualify as hedges is recognized as assets or liabilities and with impact on equity. As of September 30, 2022, and December 31, 2021, the Group has recognized under "Unrealized net profit" on hedging financial derivative instruments" in the statement of changes in equity, a positive and negative change in fair value of approximately S/ 21,093,000 and S/12,347,000, which is presented net of the effect on the income tax, respectively.

Likewise, as of September 30, 2022, and 2021 the Group recognized an expense on these derivative financial instruments amounting to approximately S/ 7,735,000 and S/ 11,986,000 respectively, whose amounts were actually paid during the year and are presented as "Borrowing Costs" in the consolidated statement of income.

Sensitivity to interest rate

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

ii. Exchange rate risk

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

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

The result of maintaining balances in foreign currency for the Group as of September 30, 2022, resulted in a net gain of approximately S/ 9,629,000 (net loss of and S/ 73,452,000 as of September 30, 2021), which are presented in the caption "Exchange difference, net" of the consolidated income statement.

As of September 30, 2022, the Group maintains a liability for a derivative financial instrument corresponding to a "Cross Currency Interest Rate Swap" amounting to S/ 5,017,000 in favor of the BBVA Peru bank (S/6,870,000 as of December 31, 2021, in favor of the banks, BBVA Peru and Banco Internacional del Peru), in order to cover their risks of fluctuation in the exchange rate. These instruments were designated as held for trading.

As of September 30, 2022, and 2021, variations in fair value are recognized as an expense or income. As of September 30, 2022, the effect corresponds to a net financial income of approximately S/ 1,853,000 (net financial expense of S/ 6,443,000 as of September 30, 2021) and is presented as part of the caption "Borrowing cost" and "Financial income" of the consolidated income statement.

Likewise, as of September 30, 2022, and 2021, a financial expense was recognized, net for these derivative financial instruments amounting to approximately S/ 798,000 and S/ 650,000, respectively, the amounts of which have been effectively paid during the year and are presented as part of the caption "Financial expenses" and "Financial income", net of the consolidated income statement.

Sensitivity to exchange rates

Foreign currency transactions are entered into at the free-market exchange rates published by the Banking, Insurance and Private Pension Plan Agency (Superintendencia de Banca, Seguros y AFP - SBS). As of September 30, 2022, the weighted average of free-market exchange rates used in foreign currency transactions (U.S. dollars) were S/ 3.978 (buy rate) and S/ 3.984 (sell rate) (S/ 3.975 (buy rate) and S/ 3.998 (sell rate) as of December 31, 2021), respectively.

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As of September 30, 2022, and December 31, 2021, the Group's assets and liabilities are held in U.S. dollars. The following table shows the foreign currency assets and liabilities:

<i>In thousands of dollars</i>	2022	2021
Asset		
Cash and Cash Equivalents	26,793	26,106
Trade and other payables	135,417	91,674
	162,210	117,780
Liabilities		
Other financial payables	(144,470)	(179,726)
Trade and other payables	(88,197)	(64,093)
	(232,667)	(243,819)
Derivative financial instrument in foreign currency	(1,259)	(1,718)
Net liability position	(71,716)	(127,757)

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

<i>In thousands of soles</i>	Impact on profit before income tax	
	As of September 30, 2022	As of September 30, 2021
Changes in exchange rates (U.S. dollars)		
%		
+5	(14,334)	(29,986)
+10	(28,669)	(59,973)
-5	14,334	29,986
-10	28,669	59,973

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, including trade accounts receivable, as well as financing activities, including deposits at banks and financial institutions, foreign currency transactions and other financial instruments. The maximum credit risk of the components of the financial statements as of September 30, 2022, and December 31, 2021, is represented by the amount of the captions cash and cash equivalents, trade and other accounts receivable.

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

C. Liquidity risk

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

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

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

<i>In thousands of soles</i>	As of September 30, 2022			
	From 1 to 12 months	From 1 to 3 years	From 4 to more years	Total
Trade and other payables (*)	863,622	24,673	7,434	895,729
Other financial payables				
Amortization of capital	899,340	1,504,458	1,399,597	3,803,395
Flow of interest payments	160,639	217,665	236,539	614,843
Lease liabilities				
Amortization of capital	11,486	9,254	3,626	24,366
Flow of interest payments	345	636	2,058	3,039
Total liabilities	1,935,432	1,756,686	1,649,254	5,341,372

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

(*) As of September 30, 2022, and December 31, 2021, it does not include customer advances, taxes, contributions and labor contributions and general sales tax for approximately S/ 109,895,000 and S/ 78,756,000, respectively.

D. Capital management

No changes were made in the objectives, policies, or processes for managing capital during the years ended on September 30, 2022, and December 31, 2021.

25. Fair value

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

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

<i>In thousands of soles</i>	Level 2	Total
As of September 30, 2022		
Financial assets		
Derivative financial instruments	6,069	6,069
Financial liabilities		
Derivative financial instruments	5,017	5,017
Total financial assets, net	1,052	1,052
As of December 31, 2021		
Financial assets		
Derivative financial instruments	1,422	1,422
Financial liabilities		
Derivative financial instruments	32,581	32,581
Total financial liabilities, net	31,159	31,159

Fair value of financial instruments measured at amortized cost

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

Level 1

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

Level 2

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

<i>In thousands of soles</i>	As of September 30, 2022		As of December 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Other financial liabilities (*)	3,523,427	3,036,538	3,588,500	3,357,810

() As of September 30, 2022 and December 31, 2021 it does not include promissory notes and overdrafts, see note 12.*

26. Segment information

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

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

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

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

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

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

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The following table shows financial information by reportable segment, net of eliminations:

<i>In thousands of soles</i>	As of September 30, 2022						Consolidated
	Cement	Concrete	Electric power	Others	Total segments	Adjustment and eliminations	
Revenue							
Third-party customers	2,480,196	1,695,096	185,201	13,867	4,374,360	-	4,374,360
Inter segments	295,353	93,360	91,688	398,895	879,296	(879,296)	-
Total revenues	2,775,549	1,788,456	276,889	412,762	5,253,656	(879,296)	4,374,360
Gross profit	908,789	187,384	110,036	358,926	1,565,135	(347,928)	1,217,207
Operating income (expenses)							
Administration expenses	(185,941)	(54,371)	(16,312)	(56,386)	(313,010)	24,356	(288,654)
Selling expenses	(58,128)	(22,995)	(4,561)	-	(85,684)	-	(85,684)
Other operating income (expenses), net	(99,297)	(21,367)	(411)	4	(121,071)	103,531	(17,540)
Operating profit	565,423	88,651	88,752	302,544	1,045,370	(220,041)	825,329
Other income (expenses)							
Net interests in associates	-	2,791	-	-	2,791	727	3,518
Finance income	5,310	1,950	158	4,213	11,631	(3,084)	8,547
Borrowing Costs	(71,615)	(17,886)	(11,149)	(46,456)	(147,106)	3,084	(144,022)
Exchange difference, net	10,728	(3,158)	3,316	(1,257)	9,629	-	9,629
Income before income tax	509,846	72,348	81,077	259,044	922,315	(219,314)	703,001
Income Tax	(158,384)	(9,769)	(23,504)	(41,031)	(232,688)	(5,296)	(237,984)
Net income for segment	351,462	62,579	57,573	218,013	689,627	(224,610)	465,017
Income before tax for segment	576,151	85,493	92,068	300,560	1,054,272	(351,271)	703,001
Operating assets	8,009,661	1,527,511	1,162,382	433,068	11,132,622	239,173	11,371,795
Operating liabilities	582,157	548,006	82,960	113,263	1,326,386	4,405,091	5,731,477

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<i>In thousands of soles</i>	As of September 30, 2021					Adjustment and eliminations	Consolidated
	Cement	Concrete	Electric power	Others	Total segments		
Revenue							
Third-party customers	2,105,312	1,374,680	142,039	13,606	3,635,637	-	3,635,637
Inter segments	175,636	105,645	90,344	51,860	423,485	(423,485)	-
Total revenues	2,280,948	1,480,325	232,383	65,466	4,059,122	(423,485)	3,635,637
Gross profit	768,510	164,433	92,851	19,241	1,045,035	6,377	1,051,412
Operating income (expenses)							
Administration expenses	(174,906)	(50,642)	(11,659)	(13,884)	(251,091)	24,677	(226,414)
Selling expenses	(53,809)	(20,920)	(3,670)	-	(78,399)	-	(78,399)
Other operating income (expenses), net	93,591	9,712	(241)	(17,852)	85,210	(57,713)	27,497
Operating profit	633,386	102,583	77,281	(12,495)	800,755	(26,659)	774,096
Other income (expenses)							
Net interests in associates	-	4,411	(11)	-	4,400	1,537	5,937
Finance income	21,902	(3,897)	38	(1,487)	16,556	(2,915)	13,641
Borrowing Costs	(135,991)	(16,817)	(15,873)	(7,975)	(176,656)	2,915	(173,741)
Exchange difference, net	(74,559)	22,258	(23,868)	2,717	(73,452)	-	(73,452)
Income before income tax	444,738	108,538	37,567	(19,240)	571,603	(25,122)	546,481
Income Tax	(123,781)	(6,629)	(15,849)	(7,422)	(153,681)	-	(153,681)
Net income for segment	320,957	101,909	21,718	(26,662)	417,922	(25,122)	392,800
Income before tax for segment	558,827	124,841	53,413	(11,315)	725,766	(179,285)	546,481
	As of December 31, 2021						
						Adjustment and eliminations	Consolidated
Operating assets	7,948,310	1,508,634	1,200,587	238,837	10,896,368	226,930	11,123,298
Operating liabilities	468,604	554,173	117,253	51,284	1,191,314	4,561,677	5,752,991

UNACEM Corp S.A.A. and Subsidiaries

Notes to the UNAUDITED Consolidated Financial Statements

As of September 30, 2022, and December 31, 2021

Eliminations and Reconciliation

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

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

<i>In thousands of soles</i>	As of September 30, 2022	As of September 30, 2021
Reconciliation of profit or loss		
Profit before tax by operating segment before adjustments and eliminations	1,054,272	725,766
Finance income	8,547	13,641
Borrowing Costs	(144,022)	(173,741)
Net interests in associates	3,518	5,937
Eliminations of related party transactions	(219,314)	(25,122)
Income before tax for segment	703,001	546,481
<i>In thousands of soles</i>	As of September 30, 2022	As of December 31, 2021
Reconciliation of assets		
Segment assets	11,132,622	10,896,368
Deferred tax assets	209,432	206,404
Hedging instruments	6,069	1,422
Other assets	23,672	19,104
Operating assets of the Group	11,371,795	11,123,298
Reconciliation of liabilities		
Segment operating liabilities	1,326,386	1,191,314
Other financial payables	3,803,395	3,928,034
Trade payables to Directors	5,705	6,439
Deferred tax assets	590,974	594,623
Derivative financial instruments	5,017	32,581
Operating liabilities of the Group	5,731,477	5,752,991

Geographical information

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

<i>In thousands of soles</i>	As of September 30, 2022	As of September 30, 2021
Income of customers		
Peru	2,804,511	2,382,396
United States	729,085	502,119
Ecuador	499,746	475,790
Chile	326,332	259,812
Colombia	14,686	15,520
Total revenue under consolidated statement of profit or loss	4,374,360	3,635,637

UNACEM Corp S.A.A. and Subsidiaries
Notes to the UNAUDITED Consolidated Financial Statements
As of September 30, 2022, and December 31, 2021

<i>In thousands of soles</i>	As of September 30, 2022	As of December 31, 2021
Non-current assets		
Peru	6,388,285	6,513,777
United States	1,701,993	1,657,841
Ecuador	851,755	859,158
Chile	297,846	298,563
Colombia	25,314	29,697
Total non-current assets under consolidated statement of financial position	9,265,193	9,359,036

27. Subsequent events

In a non-face-to-face Board Meeting held on October 26, 2022, the Company approved the distribution of a dividend for approximately S/ 36,103,449.80 on a total of 1,805,172,490 shares representing the Share Capital (nominal value S/ 1.00 each, excluding the 12,955,121 shares held in treasury to date), charged to Retained Earnings as of December 31, 2014, and 2015.