

UNACEM Corp S.A.A.

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



UNACEM CORP S.A.A.
Statement of Financial Position
As of June 30th, of 2023 and December 31st, 2022
(In thousands of Soles)

	Notes	As of June 30th, 2023	As of December 31st, 2022
Assets			
Current Assets			
Cash and cash equivalents	4	1,240	6,426
Other Financial Assets		-	-
Trade Accounts Receivable and other accounts receivable		219,818	163,796
Trade Accounts Receivable , net	5	595	638
Other Accounts Receivable , net	5	18,776	20,414
Accounts Receivable from Related Companies	5	200,402	142,535
Advanced payments	5	45	209
Inventories		-	-
Biological Assets		-	-
Assets by Income Taxes	5	3,216	14,092
Other Non-Financial Assets		5,476	2,270
Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners		229,750	186,584
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		229,750	186,584
Non-Current Assets			
Other Financial Assets		-	-
Investments in subsidiaries, joint ventures and associates	6	6,129,850	6,074,006
Trade Accounts Receivables and other accounts receivables	5	97,143	97,143
Trade Accounts Receivable		-	-
Other Accounts Receivable		72,088	72,088
Accounts Receivable from Related companies		25,055	25,055
Advanced payments		-	-
Biological Assets		-	-
Investment Property		-	-
Property, Plant and Equipment , net	7	152	62
Intangible Assets , net	8	20,031	20,939
Assets Deferred Income Tax	11	11,475	11,310
Surplus value		-	-
Other Assets		-	-
Total Non-current Assets		6,258,651	6,203,460
TOTAL ASSETS		6,488,401	6,390,044

	Notes	As of June 30th, 2023	As of December 31st, 2022
Liabilities and Stockholders' Equity			
Current Liabilities			
Other Financial Liabilities	10	272,225	140,057
Trade accounts payable and other payable accounts		67,658	48,852
Trade Accounts Payable	9	7,110	4,583
Other Accounts Payable	9	38,963	35,435
Accounts payable to related companies	9	21,585	8,834
Diferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		470	550
Income Tax Liabilities		-	-
Other non-financial liabilities		-	-
Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale		340,353	189,459
Liabilities included in asset groups classified as held for sale		-	-
Total Current Liabilities		340,353	189,459
Non-Current Liabilities			
Other Financial Liabilities	10	834,181	950,047
Trade accounts payable and other payable accounts		2,461	1,587
Trade Accounts Payable		-	-
Other Accounts Payable	9	2,461	1,587
Accounts payable to related companies		-	-
Deferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		-	-
Liabilities Deferred Income Taxes		-	-
Other non-financial liabilities		-	-
Total Non-Current Liabilities		836,642	951,634
Total Liabilities		1,176,995	1,141,093
Stockholders' Equity			
Capital Issued	12.A	1,818,128	1,818,128
Issuance Premiums	12.B	-38,019	-38,019
Investment shares		-	-
Treasury Shares in portfolio	12.C	-21,390	-23,530
Other Capital Reserves	12.D	363,626	363,626
Accrued Results	12.E	3,189,061	3,128,746
Other Equity Reserves		-	-
Total Stockholders' Equity		5,311,406	5,248,951
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		6,488,401	6,390,044



UNACEM CORP S.A.A.
Statement Income
For the periods ended June 30th, 2023 and 2022
(In thousands of Soles)

	Notes	For the specific quarter from April 1, to June 30th, 2023	For the specific quarter from April 1, to June 30th, 2022	For the cummulative period from January 1st to June 30th, 2023	For the cummulative period from January 1st to June 30th, 2022
Incomes from ordinary activities	13	118,746	128,447	208,916	255,634
Cost of Sales	-	-	-	-	-
Profit (Loss) Gross	-	118,746	128,447	208,916	255,634
Sales Expenses		-	-	-	-
Administrative expenses	14	-22,324	-13,549	-41,989	-27,617
Profit (Loss) in the write-off of financial assets carried at amortized cost		-	-	-	-
Other Operating Income	-	711	249	1,242	1,548
Other Operating Expenses	-	-16	-1,949	-2,012	-1,984
Other profit (loss)		-	-	-	-
Profit (Loss) from operating activities		97,117	113,198	166,157	227,581
Financial Income		3,438	409	4,563	892
Financial Expenses	15	-14,451	-14,779	-26,675	-28,056
Exchange differences, net	-	-1,675	2,663	-2,177	-1,611
Other income (expense) from subsidiaries, joint ventures and associates		-	-	-	-
Share of Profit (Loss) in net results from Equity-Accounted Joint Ventures and related companies		-	-	-	-
Difference between the book value of the distributed assets and the book value of the divided payable		-	-	-	-
Gains before Income tax		84,429	101,491	141,868	198,806
Income tax expenses	11(b)	-8,681	-5,915	-9,364	-18,349
Profit (Loss) Net of Continued Operations		75,748	95,576	132,504	180,457
Profit (loss) net of the tax to the profit from discontinued operations		-	-	-	-
Profit (loss) net of the year		75,748	95,576	132,504	180,457



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

Notes	For the specific quarter from April 1, to June 30th, 2023	For the specific quarter from April 1, to June 30th, 2022	For the cummulative period from January 1st to June 30th, 2023	For the cummulative period from January 1st to June 30th, 2022
Net Profit (Loss) of the year	75,748	95,576	132,504	180,457
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	-	-	-	-
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	-	-	-	-
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	-	-	-	-
Gains (Losses) for Financial Assets Measured at Fair Value with Changes in Other Comprehensive Income, net of Taxes	-	-	-	-
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	-	-	-	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period , net of income tax	75,748	95,576	132,504	180,457



UNACEM CORP S.A.A.
Statement of Cash Flow
Direct Method
For the periods ended June 30th, 2023 and 2022
(In thousands of Soles)

	Notes	As of January 1st, 2023 to June 30th, 2023	As of January 1st, 2022 to June 30th, 2022
Operating activities cash flows			
Types of cash collections from operating activities			
Sale of Goods and Services		34,390	172,569
Royalties, fees, commissions and other income from ordinary activities		107,212	70,769
Contracts held for brokering or trading purposes		-	-
Lease and subsequent sales of such assets		-	-
Other Cash Receipts Related to Operating Activity		9,848	115
Types of cash collections from operating activities			
Suppliers of goods and services		-25,854	-234,992
Contracts held for brokering or trading purposes		-	-
cash payments to and on behalf of employees		-15,605	-47,138
Elaboration or acquisition of assets to be leased and other assets held for sale		-	-
Other Cash Payments Related to Operating Activity		-	-
Cash flows and cash equivalents from (used in) Operating Activities		109,991	-38,677
Interests received (not included in the Investment Activities)		-	-
Interests paid (not included in the Investment Activities)		-25,841	-33,184
Dividends Received (not included in the Investment Activities)		136,813	228,563
Dividends Paid (not included in the Investment Activities)		-	-
Income tax (paid) reimbursed		-4,629	-90,858
Other cash collections (payments)		-	-
Cash flows and cash equivalents from (used in) Operating Activities		216,334	65,844
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		-	-
Loan repayments received from related parties		-	-
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		-	-
Sale of intangible assets		-	-
Sale of other long- term assets		-	-
Government Subventions		-	-
Interests received		-	-
Dividends received		-	-
Type of cash payments from investment activities			
Advances and loans granted to third parties		-	-
Controlling interest of subsidiaries and other businesses		-	-
Loans from related		-121,005	-
Purchase of Financial Instruments of equity or debt of other entities		-55,844	-2
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		-109	-
Purchase of intangible assets		-378	-155
Purchase of other long- term assets		-	-
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to Investment activities		-	-
Cash flows and cash equivalents from (used in) investing activities		-177,336	-157



UNACEM CORP S.A.A.
Statement of Cash Flow
 Direct Method
 For the periods ended June 30th, 2023 and 2022
 (In thousands of Soles)

Notes	As of January 1st, 2023 to June 30th, 2023	As of January 1st, 2022 to June 30th, 2022
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Cash flows from Financing activities			
Type of cash collections from financing activities			
Loan securing		94,025	60,000
Loans from related entities		7,222	92
Changes to the subsidiaries ownership interest not resulting in the loss of control		-	-
Issuance of Shares		-	-
Issuance of Other Equity Instruments		-	-
Government Subventions		-	-
Type of cash payments from financing activities			
Loan Amortization or payment		-77,230	-
Financial leasing liabilities		-	-
Loans from related entities		-	-
Changes to the subsidiaries ownership interest not resulting in the loss of control		-	-
Redemption or repurchase of the entities' shares (Shares in the portfolio)		2,140	-11,272
Acquisition of other equity interest		-	-
Interests paid		-	-
Dividends paid		-70,425	-158,895
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to financing activities		-	-
Cash flows and cash equivalents from (used in) financing activities		-44,268	-110,075
Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates		-5,270	-44,388
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		84	-703
Increase (Decrease) in Net Cash and Cash Equivalents		-5,186	-45,091
Cash and cash equivalents at beginning of year		6,426	54,588
Cash and cash equivalents at end of year		1,240	9,497

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements
March 31, 2023 and December 31, 2022

1. Background and Economic Activity

UNACEM CORP S.A.A. (hereinafter, the "Company") was incorporated in December 1967.

As of June 30, 2023 and December 31, 2022, the Company is a subsidiary of Inversiones JRPR S.A. (hereinafter, the "Parent Company" and ultimate controlling party of the Economic Group), who holds a direct and indirect stake of 42.22% in the capital stock. Inversiones JRPR S.A. has the power to direct the Company's financial and operating policies.

The Company's legal domicile is located at Av. Carlos Villarán No. 508, La Victoria, Lima, Peru.

The Company's main activity is to invest in companies engaged in the production and marketing of all types of cement, concrete, clinker and other construction materials in Peru and abroad, as well as to develop any intellectual property and technologies related to such activities. In addition, the Company may invest in real estate and electric power generation, transmission and/or distribution activities.

The Company has investments primarily in the markets of Perú, United States of America, Ecuador and Chile.

The separate financial statements for the second quarter of 2023 have been issued with Management authorization and shall be submitted to the Board of Directors for approval of such issuance at the meeting to be held on July 26, 2023. The separate financial statements as of December 31, 2022 were approved in the Shareholders' Meeting held on March 30, 2023.

Corporate reorganization and change of name and purpose

On December 14, 2021, the Shareholders' Meeting approved the Company's Reorganization, which became effective on January 1, 2022.

The reorganization project involved the segregation of three equity blocks that were contributed by the Company to three wholly-owned subsidiaries, with no changes in the Company's capital stock or in the control unit. The three contributed subsidiaries are UNACEM Perú S.A., Minera Adelaida S.A., and Inversiones Nacionales y Multinacionales Andinas S.A.

Agreement for the acquisition of an unrelated entity

On December 29, 2022, the subsidiary Compañía Eléctrica El Platanal S.A. (CELEPSA) was notified of the offer made for the acquisition of the shares and claims of Termochilca S.A., a power generation company with a combined-cycle thermal power plant located in the district of Chilca, province of Cañete, with an installed capacity of 300 MW.

Furthermore, on December 30, 2022, CELEPSA and La Fiduciaria S.A., acting on behalf of Trust Estate No. G00-3-1211-0488, entered into a share transfer agreement whereby this subsidiary will acquire 100% of the shares of stock of Termochilca S.A., subject to the authorization of the National Institute for the Defense of Free Competition and the Protection of Intellectual Property (INDECOPI) and in compliance with the applicable regulations.

CELEPSA has continued to be committed to acquire, together with the above-mentioned shares, 100% of the secured claims (senior debt and subordinated bonds) of Termochilca S.A. according to the sale procedure regulated in the trust agreement of the above-referred Trust Estate.

On April 20, 2023, CELEPSA was authorized by INDECOPI for the merger with Termochilca S.A., and on May 8, 2023, the closing of the transaction was carried out.

The total agreed price was USD 141,000,000, paid directly by the Subsidiary, partially with its own resources and partially with resources from financing operations.

Other relevant events in 2023

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements

March 31, 2023 and December 31, 2022

In June 2023, the Company has been notified by INDECOPI of the authorization of the merger transaction consisting of the incorporation of a new company between UNACEM Corp. S.A.A., with 51 % of the capital stock, and Grupo Calidra S.A. de C.V., a Mexican company, with the remaining percentage.

The purpose of the new company will be to build and operate an industrial plant in the Condorcocha area, Province of Tarma, Department of Junín, for the production of quicklime and calcium carbonates, with an initial capacity of 600 tons of quicklime per day. This project has an estimated total investment of USD 40,000,000. Construction of the plant will begin in the fourth quarter of this year and it will start operations in the first half of 2025. The Company's investment will be financed with its own resources and local bank financing.

2. Basis of Preparation of Separate Financial Statements**A. Basis of preparation**

The Company's interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Pursuant to the International Financial Reporting Standards (IFRS), the Company is not required to prepare separate financial statements; however, entities domiciled in Peru are required to prepare them under the statutory provisions in force. Accordingly, the Company has prepared separate financial statements in accordance with IAS 27 – Separate Financial Statements.

The interim separate financial statements have been prepared on a historical cost basis. The interim separate financial statements are presented in Peruvian Soles and all amounts have been rounded to the nearest thousand (PEN 000), unless otherwise indicated.

The interim separate financial statements provide comparative information in respect of former periods; however, they do not include all of the information and disclosures required for annual financial statements. Therefore, they must be read together with the audited report as and for the year ended December 31, 2022.

The Company has prepared its separate financial statements on an ongoing concern basis. In making its going concern assessment, Management has considered the matters that could cause an interruption of its operations. Management has considered all available information about the future obtained after the reporting date until the date of approval and issuance of the accompanying interim separate financial statements.

B. Summary of significant accounting policies

The accounting policies used in the preparation of the separate financial statements are consistent with the policies applied in the preparation of the audited separate financial statements of the Company as of December 31, 2022, unless otherwise stated.

3. Foreign Currency Transactions

Foreign currency transactions are carried out at the free-market exchange rates published by the Superintendency of Banking, Insurance and Pension Fund Management Companies (SBS-AFP). As of June 30, 2023, the weighted average free-market exchange rates for transactions in Soles were PEN 3.624 (buying rate) and PEN 3.633 (selling rate) (buying exchange rate: PEN 3.808, and selling exchange rate: PEN 3.820, as of December 31, 2022), respectively.

As of June 30, 2023 and December 31, 2022, the Company had the following assets and liabilities in U.S. Dollars:

<i>In thousands of dollars</i>	2023	2022
Assets		
Cash and cash equivalents	486	734
Trade and other accounts receivable	41,656	12,888
	42,142	13,622

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements

March 31, 2023 and December 31, 2022

Liabilities		
Trade and other accounts payable	(4,313)	(1,061)
Other financial liabilities	(25,000)	-
	(29,313)	(1,061)
Net asset (liability) position	12,829	12,561

The Company manages the exchange rate risk by monitoring and controlling the amounts of currencies other than each country's functional currency that are exposed to changes in the exchange rates. As of June 30, 2023 and December 31, 2022, the Company does not record any transactions with exchange rate derivatives, any devaluation/revaluation of foreign currency affects the separate income statement.

4. Cash and Cash Equivalents

This caption comprises the following:

<i>In thousands of soles</i>	As of June 30, 2023	As of December 31, 2022
Petty cash	832	863
Checking accounts (a)	408	3,563
Time deposits (b)	-	2,000
	1,240	6,426

- (a) Checking accounts are in local and foreign currency, held with local and foreign banks with a high credit rating, and are freely available. These accounts earn interest at market rates.
- (b) They relate to time deposits held with local financial entities in local and foreign currency; they earn interest at market rates and have original maturities of less than three (3) months.

5. Trade and Other Accounts Receivable

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Current		Non-current	
		As of June 30, 2023	As of December 31, 2022	As of June 30, 2023	As of December 31, 2022
Trade accounts					
Trade accounts receivable		595	638	-	-
Related parties					
Accounts receivable	16 (b)	200,402	142,535	25,055	25,055
Other accounts					
Claims to Tax Authority, net (a)		18,052	17,834	72,088	72,088
Advance payments of income tax (b)	18.B(f)	3,216	14,092	-	-
Claims to third parties		3,694	3,778	-	-
VAT tax credit		-	1,955	-	-
Loans to employees		1,009	832	-	-
Advances to suppliers		45	209	-	-
Other accounts receivable		3,330	3,344	-	-
		230,343	185,217	97,143	97,143
Less – Expected credit loss (c)		(7,309)	(7,329)	-	-
		223,034	177,888	97,143	97,143

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements

March 31, 2023 and December 31, 2022

- (a) As of June 30, 2023 and December 31, 2022, the balance refers to claims submitted to the Tax Administration mainly related to mining royalties, fines for advance payments, claims for payment of interest, among others. In the opinion of the Company's Management and its legal advisors, there are sufficient legal grounds to determine that such assets are likely to be recovered in the short and long terms, note 18.C.(a).
- (b) As of June 30, 2023 and December 31, 2022, it refers to the credit balance of advance payments of income tax and disbursements on account of the temporary net assets tax. In the opinion of the Group's Management, such advance payments of income tax will be applied against future taxes levied in the current period.
- (c) In the opinion of the Company's Management, the estimate for expected credit losses and the specific provision for trade and other accounts receivable adequately covers the risk of uncollectibility as of June 30, 2023 and December 31, 2022.
- (d) As of June 30, 2023 and December 31, 2022, the Company assessed the exposure to credit risk of trade and other accounts receivable, note 19.B.

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements

March 31, 2023 and December 31, 2022

6. Investments in Subsidiaries and Others

This caption comprises the following:

<i>En miles de soles</i>	Economic Activity	Country of Origin (c)	Shareholding Percentage		Carrying Amount	
			As of June 30, 2023	As of December 31, 2022	As of June 30, 2023	As of December 31, 2022
Investments in subsidiaries						
UNACEM Perú S.A.	Production and sale of cement	Peru	100.00%	100.00%	2,156,486	2,156,486
Inversiones Imbabura S.A.	Holding	Peru	99.99%	99.99%	1,566,384	1,516,724
Skanon Investments Inc.	Production and sale of cement and concrete	United States of America	95.85%	95.84%	1,465,196	1,459,013
Compañía Eléctrica El Platano S.A.	Power and energy	Peru	90.00%	90.00%	567,829	567,829
UNACEM Chile S.A.	Production and sale of cement	Chile	99.89%	99.89%	122,378	122,378
Inversiones Nacionales y Multinacionales Andinas S.A.	Real estate services	Peru	99.77%	99.77%	81,845	81,845
Inversiones en Concreto y Afines S.A.	Holding	Peru	93.38%	93.38%	67,036	67,036
ARPL Tecnología Industrial S.A.	Technological consulting and assistance services	Peru	100.00%	100.00%	32,071	32,071
Minera Adelaida S.A.	Mining of non-ferrous metalliferous ores	Peru	100.00%	100.00%	30,980	30,980
Digicem S.A.	IT services	Peru	99.99%	99.99%	30,130	30,130
Prefabricados Andinos S.A.	Production and sale of modular buildings	Chile	50.00%	50.00%	19,628	19,628
Prefabricados Andinos Perú S.A.C.	Production and sale of modular buildings	Peru	50.00%	50.00%	17,527	17,527
Depósito Aduanero Conchán S.A.	Warehousing services	Peru	99.99%	99.99%	3,913	3,913
Vigilancia Andina S.A.	Surveillance services	Peru	55.50%	55.50%	2,308	2,308
Generación Eléctrica Atocongo S.A.	Thermal power plant operation services	Peru	99.85%	99.85%	125	125
Other investments						
Ferrocarril Central Andino S.A.	Transportation services	Peru	16.49%	16.49%	3,273	3,273
Ferrovías Central Andino S.A.	Transportation services	Peru	15.00%	15.00%	2,762	2,762
Compañía de Inversiones Santa Cruz S.A.	Real estate services	Peru	8.85%	8.85%	180	180
Others	-	-	-	-	274	273
					6,170,325	6,114,481
Estimated impairment of investments					(40,475)	(40,475)
					6,129,850	6,074,006

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements
March 31, 2023 and December 31, 2022

- (a) The activity of this caption was as follows:

<i>In thousands of soles</i>	As of June 30, 2023	As of December 31, 2022
Opening balance	6,074,006	3,792,826
Transfer of equity block	-	2,264,380
Capital contributions in cash	55,844	18,873
Impairment of investments	-	(2,073)
Closing balance	6,129,850	6,074,006

- (b) During the periods ended June 30, 2023 and 2022, the Company received dividends from its subsidiaries for PEN 116,323,000 and PEN 171,472,000, respectively, note 16 (a). Moreover, during the periods ended June 30, 2023 and 2022, the Company collected approximately PEN 138,822,000 and PEN 228,563,000, respectively.
- (c) The principal place of business where subsidiaries and the other investee companies perform their activities is their country of incorporation.

7. Property, Plant and Equipment

- (a) As of June 30, 2023 and December 31, 2022, the net carrying amount is approximately PEN 152,000 and PEN 62,000, respectively.
- (b) The depreciation for the periods ended June 30, 2023 and 2022 is approximately PEN 19,000 and PEN 47,000, respectively, and is recognized in the separate income statement under "Administrative Expenses," note 14.

8. Intangible Assets

- (a) As of June 30, 2023 and December 31, 2022, the net carrying amount is approximately PEN 20,031,000 and PEN 20,939,000, respectively.
- (b) The amortization for the periods ended June 30, 2023 and 2022 is approximately PEN 1,286,000 and PEN 1,305,000, respectively, and is registered in the separate income statement under "Administrative Expenses," note 14.

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Notes to the UNAUDITED Interim Separate Financial Statements
March 31, 2023 and December 31, 2022

9. Trade and Other Accounts Payable

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2023	As of December 31, 2022
Accounts payable to related parties	16(b)	21,585	8,834
Dividends payable	12 E.	17,102	15,338
Interest payable	10(f)	9,024	9,953
Trade accounts payable		7,110	4,583
Compensation and vacation payable		7,023	6,910
Value added tax payable		5,679	-
Directors' compensation payable		956	2,381
Contingencies payable		736	736
Social security contributions payable		228	391
Other accounts payable		676	1,313
		70,119	50,439
Term			
Current portion		67,658	48,852
Non-current portion		2,461	1,587
		70,119	50,439

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements

March 31, 2023 and December 31, 2022

10. Other Financial Liabilities

(a) This caption comprises the following:

	As of June 30, 2023			As of December 31, 2022		
	Current Portion	Non-current Portion	Total	Current Portion	Non-current Portion	Total
<i>In thousands of soles</i>						
Bank promissory notes (b)	90,825	-	90,825	-	-	-
Bonds (c)	-	-	-	18,815	-	18,815
Bank loans (d)	181,400	834,181	1,015,581	121,242	950,047	1,071,289
	272,225	834,181	1,106,406	140,057	950,047	1,090,104

(b) As of June 30, 2023, the bank promissory note refers to a working capital financing obtained from Scotiabank Perú and has no specific guarantees.

As of June 30, 2023 and 2022, the interest expenses from bank promissory notes maintained by the Company amounted to approximately PEN 1,400,000 and PEN 856,000, respectively, and are recognized in the separate income statement under "Financial Expenses," note 15.

(c) The balance of corporate bonds as of June 30, 2023 and December 31, 2022 is detailed below:

<i>In thousands of soles</i>	Annual Interest Rate	Maturity Date	2023	2022
Corporate bonds				
Second issuance – Second program	5.16%	March 2023	-	18,815
			-	18,815

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements

March 31, 2023 and December 31, 2022

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

<i>In thousands of soles</i>	Maturity Date	Original Amount	Currency	Use of Funds	As of June 30, 2023	As of December 31, 2022
Bank loans (e), (f) and (g)						
Banco de Crédito del Perú	October 2026	502,500	Soles	Redemption of overseas bond	378,753	396,600
Scotiabank Perú S.A.	January 2027	671,547	Soles	Refinancing of financial liabilities	290,162	307,416
BBVA Banco Continental	December 2026	533,357	Soles	Refinancing of financial liabilities	259,463	274,890
Banco Internacional del Perú S.A.A.	December 2026	228,385	Soles	Refinancing of financial liabilities	91,006	96,417
					1,019,384	1,075,323
Amortized cost					(3,803)	(4,034)
Total					1,015,581	1,071,289

On January 1, 2022, the Company transferred, as part of the equity block, bank loans totaling PEN 1,560,978,000 to its subsidiary UNACEM Perú S.A. Furthermore, as part of the reorganization agreements, the Company has provided a guarantee for the bank loans transferred to UNACEM Perú S.A. up to a limit of PEN 877,707,000 and PEN 1,015,430,000 as of June 30, 2023 and December 31, 2022, respectively.

- (e) The financial safeguards applicable to local financial liabilities are monitored quarterly and calculated based on: (i) combined quarterly financial information of the Company and its subsidiary UNACEM Perú S.A. (as if the reorganization had not been carried out), and (ii) consolidated quarterly financial information of the Company; considering the calculation methodologies required by each financial entity.

In the opinion of the Management, the Company has complied with the financial safeguards as of June 30, 2023 and December 31, 2022.

- (f) As of June 30, 2023 and December 31, 2022, interest payable on medium- and long-term bonds and debt with bank entities amounted to approximately PEN 9,024,000 and PEN 9,953,000, respectively, and is recognized in the separate statements of financial position under "Trade and other accounts payable," note 9.

Interest on medium- and long-term bonds and debt with bank entities for the years ended June 30, 2023 and 2022 amounted to approximately PEN 23,512,000 and PEN 24,854,000, respectively, and is recognized in the separate income statement under "Financial expenses," note 15.

- (g) As of June 30, 2023 and December 31, 2022, the Company maintains bank loans in soles at effective annual interest rates ranging from 4.30% to 4.92%.

11. Deferred Income Tax Asset

- (a) As of June 30, 2023 and December 31, 2022, the net carrying amount is approximately PEN 11,475,000 and PEN 11,310,000, respectively.
- (b) The income tax expense shown in the separate income statement for the years ended June 30, 2023 and 2022 amount to approximately PEN 9,364,000 and PEN 18,349,000, respectively.

12. Net Stockholders' Equity

A. Issued capital

As of June 30, 2023 and December 31, 2022, the issued capital is represented by 1,818,127,611 subscribed and paid-in ordinary shares with a face value of PEN 1 per share. The ordinary shares of stock of the Company are traded on the Lima Stock Exchange.

As of June 30, 2023			
Shareholder	Number of Shares	Shareholding Percentage	
Inversiones JRPR S.A.	483,489,609	26.59%	
Nuevas Inversiones S.A.	459,129,497	25.25%	
Pension Fund Management Companies (AFP)	474,416,206	26.09%	
Others	401,092,299	22.07%	
	1,818,127,611	100.00%	
As of December 31, 2022			
Shareholder	Number of Shares	Shareholding Percentage	
Inversiones JRPR S.A.	483,489,609	26.59%	
Nuevas Inversiones S.A.	459,129,497	25.25%	
Pension Fund Management Companies (AFP)	470,622,191	25.89%	
Others	404,886,314	22.27%	
	1,818,127,611	100.00%	

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

B. Additional capital

It refers to the difference between the capital increase made in 2019 as a result of the merger of the Company with Sindicato de Inversiones y Administración S.A., Inversiones Andino S.A., and Inmobiliaria Pronto S.A., and the recorded equity.

C. Treasury stock

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

The Board of Directors' meeting held on June 28, 2023 approved to extend the program until June 30, 2025, increasing the maximum amount to PEN 112,000,000, without exceeding 4% of the shares issued. Additionally, the Board of Directors expressly empowered the General Management to set the terms and conditions of the program and to carry out the necessary actions to implement it.

The shares purchased are held in the portfolio for a maximum period of two (2) years and, during said period, all the rights attaching thereto shall be suspended.

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

D. Legal reserve

Pursuant to the Business Corporations Act, the Company shall transfer no less than 10% of its profits distributed in each period, less the income tax, to a legal reserve until it equals 20% of the issued capital. The legal reserve may be used to offset losses or may be capitalized, but it shall be refunded in both cases. As of June 30, 2023 and December 31, 2022, the legal reserve equals 20% of the issued capital.

E. Dividend distribution

The information on the dividends distributed is provided below:

2023 dividends

Date of Board of Directors' Meeting	Dividends Declared PEN (000)	Date of Payment	Dividends per Ordinary Share
January 25, 2023	36,103	02.27.2023	0.020
April 27, 2023	36,102	05.31.2023	0.020
	72,205		

2022 dividends

Date of Board of Directors' Meeting	Dividends Declared PEN (000)	Date of Payment	Dividends per Ordinary Share
January 26, 2022	36,194	January 28, 2022	0.020
April 27, 2022	54,202	May 30, 2022	0.030
July 26, 2022	36,111	August 31, 2022	0.020
October 26, 2022	36,103	November 29, 2022	0.020
	162,610		

As of June 30, 2023 and December 31, 2022, the balance of dividends payable amounts to and PEN 17,102,000 and PEN 15,338,000, respectively, note 9.

13. Revenue

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2023	As of June 30, 2022
Dividend revenue	16(a)	116,323	171,472
Royalty revenue	16(a)	92,593	84,162
		208,916	255,634
Timing of revenue recognition			
Services transferred at a point in time		208,916	255,634
		208,916	255,634

14. Administrative Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2023	As of June 30, 2022
Personnel expenses		17,057	14,049
Third-party services		16,854	7,442
Amortization of intangible assets	8(b)	1,286	1,305
Taxes		815	1,453
Depreciation	7(b)	19	47
Others		5,958	3,321
		41,989	27,617

15. Financial Expenses

It mainly refers to interest from medium- and long-term debt with bank entities. As of June 30, 2023 and 2022, it amounts to approximately PEN 24,912,000 and PEN 25,710,000, respectively, notes 10(b) and 10(f).

16. Transactions with Related Companies

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

<i>In thousands of soles</i>	<i>Note</i>	2023	2022
Revenue			
Dividend revenue -	13		
UNACEM Perú S.A.		65,492	64,973
Inversiones Imbabura S.A.		26,313	84,944
ARPL Tecnología Industrial S.A.		13,243	10,554
Compañía Eléctrica el Platanal S.A.		7,868	11,001
Inversiones en Concreto y Afines S.A.		3,407	-
Royalty revenue -	13		
UNACEM Perú S.A.		55,178	56,843
Skanon Investments Inc.		15,521	-
UNACEM Ecuador S.A.		11,641	11,356
Unión de Concreteras S.A.		4,831	6,573
Compañía Eléctrica el Platanal S.A.		4,406	4,132
Concremax S.A.		1,050	1,281
UNACEM Chile S.A.		-	1,762
UNICON Chile S.A.		-	2,215
Revenue from sale of Clinker -			
UNACEM Chile S.A.		-	23,822
Revenue from interest on loans granted to related parties-			
Compañía Eléctrica el Platanal S.A.		1,468	-
Prefabricados Andinos Perú S.A.C.		907	696

<i>In thousands of soles</i>	<i>Note</i>	2023	2022
Digicem S.A.		798	-
Inversiones Nacionales y Multinacionales			
Andinas S.A.		706	38
UNACEM Perú S.A.		13	28
Generación Eléctrica de Atocongo S.A.		12	3
Inversiones Imbabura S.A.		9	13
Other revenue and refunds -			
UNACEM Perú S.A.		7,896	28,021
Purchases and costs			
Surveillance services -			
Vigilancia Andina S.A.		303	246
Administrative support services -			
UNACEM Perú S.A.		948	180
Interest expense on loans received from related parties -			
UNACEM Perú S.A.		1,119	414
Others -			
UNACEM Perú S.A.		2,079	354
UNACEM Ecuador S.A.		769	-
Inversiones Nacionales y Multinacionales			
Andinas S.A.		764	-
Compañía Eléctrica el Platanal S.A.		570	-
Drake Cement LLC		14	-

- (b) As a consequence of these and other minor transactions, the Company reports the following related party balances:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2023	As of December 31, 2022
Accounts receivable			
Prefabricados Andinos Perú S.A.C.		2,957	2,416
Digicem S.A.		954	187
Drake Cement LLC		490	437
UNACEM Chile S.A.		10	21,597
UNACEM Perú S.A.		-	3,496
Others		963	131
		5,374	28,264
Dividends receivable			
Inversiones Imbabura S.A.		21,578	8,119
ARPL Tecnología Industrial S.A.		6,622	-
UNACEM Perú S.A.		-	41,354
		28,200	49,473
Royalties receivable			
UNACEM Perú S.A.		9,221	31,042
Skanon Investments Inc.		8,067	-
UNACEM Ecuador S.A.		4,501	5,103
Unión de Concreteras S.A.		2,358	3,914
Compañía Eléctrica el Platanal S.A.		2,129	1,388
Concremax S.A.		540	735
UNACEM Chile S.A.		-	1,170
UNICON Chile S.A.		-	1,048
		26,816	44,400
Loans receivable			
Compañía Eléctrica el Platanal S.A.		90,313	-
Prefabricados Andinos Perú S.A.C.		25,055	25,055
Digicem S.A.		29,821	10,486
Inversiones Nacionales y Multinacionales			
Andinas S.A.		19,173	9,692
Inversiones Imbabura S.A.		485	-
Generación Eléctrica de Atocongo S.A.		220	220
		165,067	45,453

<i>In thousands of soles</i>	<i>Note</i>	<i>As of June 30, 2023</i>	<i>As of December 31, 2022</i>
Total accounts receivable	5	225,457	167,590
Terms			
Current portion		200,402	142,535
Non-current portion		25,055	25,055
		225,457	167,590
Accounts payable			
UNACEM Perú S.A.		11,711	135
Inversiones en Concreto y Afines S.A.		6,448	6,448
UNACEM Ecuador S.A.		2,648	2,001
Compañía Eléctrica el Platanal S.A.		550	8
Inversiones Nacionales y Multinacionales Andinas S.A.		144	35
Others		84	207
Total accounts payable	9	21,585	8,834

- (c) As of June 30, 2023, the total compensation received by the key management officers and directors amounted to approximately PEN 12,867,000 (as of June 30, 2022, approximately PEN 8,739,000); such compensation includes short-term employee benefits and severance pay.

The Company enters into related party transactions on terms equivalent to those applied in arm's length transactions; therefore, there is no difference in pricing policies or tax bases. Policies related to payment terms do not differ from those used in arm's length transactions.

17. Earnings per Share

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

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

<i>In thousands of</i>	Outstanding Shares	Basic Earnings for the Weighted Average	Number of Days in the Year	Weighted Average of Outstanding Shares
Year 2023				
Balance as of January 1, 2023	1,805,161	1,805,161	365	1,805,161
Sale of treasury stock	1,512	1,512	63	261
Purchase of treasury stock	(127)	(127)	57	(20)
Balance as of June 30, 2023	1,806,546	1,806,546		1,805,402
Profit for the year (in thousands of soles)				132,504
Net basic and diluted earnings per share (expressed in soles)				0.073

<i>In thousands of</i>	Outstanding Shares	Basic Earnings for the Weighted Average	Number of Days in the Year	Weighted Average of Outstanding Shares
Year 2022				
Balance as of January 1, 2022	1,810,835	1,810,835	365	1,810,835
Purchase of treasury stock	(5,284)	(5,284)	94	(1,361)
Balance as of June 30, 2022	1,805,551	1,805,551		1,809,474
Profit for the year (in thousands of soles)				180,457
Net basic and diluted earnings per share (expressed in soles)				0.100

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

18. Commitments and Contingencies

A. Financial commitments

As of June 30, 2023 and December 31, 2022, the Company has no commitments in the form of letters of guarantee and/or sureties in favor of third parties.

B. Tax situation

Tax rates

- (a) The Company is subject to the Peruvian tax system. As of June 30, 2023 and December 31, 2022, the income tax rate is 29.5% of the net taxable income determined by the Company.

Individuals and legal entities not domiciled in Perú are subject to the withholding of an additional tax on the dividends received. In this regard, in accordance with Legislative Order (*Decreto Legislativo*) 1261, the additional tax on dividends received shall be withheld at a rate of 5% for the profits yielded starting from 2017 that are distributed as from such date.

- (b) Pursuant to the tax legislation in force in Peru, non-domiciled persons pay taxes only on their Peruvian source income. Accordingly, in general terms, the income earned by non-domiciled persons for services provided in our country shall be subject to a 30% income tax rate on gross income, provided that no double tax treaties (DTT) are applicable. In this connection, Peru has entered into DTTs with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico, South Korea and Japan, which are currently in force.

Concerning the technical assistance or digital services provided by non-domiciled persons to domiciled persons, they shall in all cases be subject to a 15% and 30% income tax rate on gross income, respectively, regardless of the place where the service is provided. The rate applicable to the technical assistance services shall be 15%, provided that the requirements set forth in the Income Tax Act are met. As noted in the preceding paragraph, the withholding rate in these cases may vary or even become inapplicable if the provisions of a current DTT are applied.

Temporary tax on net assets

- (c) The Company is subject to the Temporary Tax on Net Assets (ITAN), which tax base consists of the net asset value adjusted at the close of the year prior to the year in which payment has to be made, less depreciations and amortizations. The tax rate is 0.4% as of June 30, 2023 and December 31, 2022 and is applied to the amount of the net assets exceeding PEN 1 million. This tax may be paid in cash or in nine (9) consecutive monthly installments. The amount paid may be used as a credit against the advance payments of the income tax for the tax periods from March to December of the taxable year in which the tax was paid until the maturity date of each advance payment, and against the payment for regularization of the income tax for the relevant taxable year. If any balance remains unapplied, the refund of such balance may be requested.

On June 30, 2023, the Company partially paid the ITAN for 2023 in the amount of PEN 2,581,000. In 2022, ITAN has been paid in the amount of PEN 20,653,000.

Transfer pricing

- (d) In order to assess the income tax, the transfer pricing of transactions with related companies and with companies residing in low or zero taxation territories must be supported by documentation and information on the valuation methods used and the criteria used for their assessment.

Effective from January 1, 2017, Legislative Order (*Decreto Legislativo*) 1312, published on December 31, 2016, established formal obligations replacing the former ones. Furthermore, such Legislative Order prescribed that intra-group services of low added value may not have a margin that exceeds 5% of their costs and that, for services provided between related companies, taxpayers shall comply with the benefit test and shall submit the requested documentation and information under the conditions required to deduct the cost or expense.

The Company is required to submit the Local Report and the Master Report for 2022 until June and October 2023, respectively.

Based on an analysis of the Company's operations, the Management and its legal advisors consider that no significant contingencies will result from the application of these regulations as of June 30, 2023 and December 31, 2022.

Income tax assessment

- (e) The Tax Authority has the power to review and, if applicable, to correct the income tax calculated by the Company for the four years following the filing of the tax return. The income tax returns for the years 2019 to 2022 are open for review by the Tax Authority. Currently, a definitive audit and inspection process for the 2018 income tax return is in its initial stage.

Due to the possible interpretations of the applicable statutory provisions by the Tax Authority, it is not possible to determine now whether or not any liabilities will result from future reviews for the Company. Therefore, any greater tax or surcharge that might arise from the tax reviews would be applied to the profit or loss for the year in which it is determined. In the opinion of the Company's Management and legal advisors, any possible additional settlement of taxes for such periods will not have a significant impact on the separate financial statements as of June 30, 2023 and December 31, 2022.

- (f) As of June 30, 2023 and December 31, 2022, the net income tax credit balance of PEN 3,216,000 and PEN 14,092,000, respectively, is recognized in the separate statement of financial position under "Trade and other accounts receivable," note 5.

C. Contingencies

In the ordinary course of business, several tax, legal (labor and administrative) and regulatory claims have been filed against the Company, which are recorded and disclosed in accordance with the IFRS.

(a) Tax proceedings:

As a result of the tax audit and inspection processes performed on previous years, the National Superintendency of Tax Administration (SUNAT) has served the Company with several resolutions for alleged failures to pay the income tax. In some cases, the Company has filed claim remedies before higher instances because it considers that such resolutions do not comply with the law; and, in other cases, the Company has paid the tax assessments received under protest.

As of June 30, 2023 and December 31, 2022, the main tax proceedings pending before the Tax Administration are related to the following matters:

- Income tax for the years 2000 and 2001
- Income tax for the years 2004 and 2005
- Income tax for the year 2009
- Fines for interest on advance payments of income tax for the year 2014
- Contribution to the supplementary retirement fund for mining, metallurgical and steel workers for the years 2013 to 2017
- Mining royalties of former Cementos Lima, years 2008 and 2009
- Mining royalties of former Cemento Andino, year 2008

As of June 30, 2023 and December 31, 2022, the Company records balances receivable related to such tax proceedings, note 5(a), given that, in the opinion of the Company's Management and legal advisors, there are reasonable grounds to believe that a result favorable to the Company's interests will be obtained.

19. Financial Risk Management Objectives and Policies

It refers to the management of the main risks faced by the Company due to the nature of its operations, namely: market, credit and liquidity risks.

A. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in the market prices. Market prices involve four types of risk: interest rate risk, exchange rate risk, commodity price risk, and other price risks. The financial instruments affected by market risk include bank deposits, bank loans, and other financial liabilities.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023 and December 31, 2022, the Company does not have any interest-bearing financial instruments.

ii. Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in exchange rates. The Company's exposure to the exchange rate risk relates primarily to the Company's operating activities (when income and expenses are in a currency other than the Company's functional currency) and secondly to the obtaining of financing in U.S. dollars.

The Management monitors this risk by analyzing the country's macroeconomic variables. As of June 30, 2023 and December 31, 2022, the Management decided to accept the exchange risk of this position; consequently, it has not entered into any transactions using derivative instruments for hedging purposes.

As of June 30, 2023 and 2022, the fact of having balances in foreign currency resulted in a net loss of approximately PEN 2,177,000 (loss of approximately PEN 12,821,000 and gain of approximately PEN 10,644,000) and PEN 1,611,000 (loss of approximately PEN 17,265,000 and gain of approximately PEN 15,654,000), respectively; they are recognized in the separate income statement under "Exchange difference, net."

Sensitivity to exchange rates

The table below shows the sensitivity to a reasonably possible change in the U.S. dollar exchange rate, assuming that all the other variables will remain constant, on the Company's before-tax profits (due to changes in the fair value of monetary assets and liabilities).

<i>Effect in thousands of soles</i>	Profit or loss for the period	
	Devaluation	Revaluation
June 30, 2023		
USD (5% movement)	2,312	(2,312)
USD (10% movement)	4,623	(4,623)
June 30, 2022		
USD (5% movement)	2,890	(2,890)
USD (10% movement)	5,779	(5,779)

B. Credit risk

Credit risk is the risk that a financial loss will be incurred if a counterparty to a financial instrument or commercial contract fails to discharge its obligations. The Company is exposed to the credit risk from its operating activities and financial activities, including deposits held in banks and financial institutions, foreign currency transactions and other financial instruments. The maximum exposure to credit risk for the items in the separate financial statements as of June 30, 2023 and December 31, 2022 is represented by the sum of the items of cash and cash equivalents, and trade and other accounts receivable.

Cash and bank deposits

The credit risk of cash at banks is administered by Management in accordance with the Company's policies. The counterparty credit limits are reviewed by Management and the Board of Directors. The limits are set to minimize risk concentration and, therefore, mitigate financial losses from potential breaches by the counterparty.

Other accounts receivable from related parties

Other accounts receivable from related parties mainly refer to dividends and royalties. As of June 30, 2023 and December 31, 2022, dividends receivable are collected in the short term and are therefore measured at cost.

Other accounts receivable

Other accounts receivable refer to outstanding balances for items not related to the Company's main operating activities. As of June 30, 2023 and December 31, 2022, other accounts receivable mainly correspond to: claims to the Tax Administration and advance payments of income tax. The Company's Management continuously monitors the credit risk of these items and periodically assesses debts evidencing an impairment to determine the required provision for bad debts.

C. Liquidity risk

The Company monitors the risk of a deficit of funds using a liquidity planning tool on a recurring basis.

The Company's objective is to maintain a balance between continuity and flexibility of financing by using overdrafts in checking accounts, bank loans, and other financial liabilities.

The tables below summarize the maturity terms of the Company's financial liabilities based on the undiscounted payments under the respective contracts:

<i>In thousands of soles</i>	<i>Note</i>	Carrying Amount	As of June 30, 2023			Total
			Less than 12 months	2 - 3 years	4 - 8 years	
Trade and other accounts payable	9	70,119	67,658	2,461	-	70,119
Other financial liabilities						
Amortization of principal	10	1,106,406	272,225	602,617	231,564	1,106,406
Cash flows from payment of interest		-	47,932	51,640	4,906	104,478
Total liabilities		1,176,525	387,815	656,718	236,470	1,281,003

<i>In thousands of soles</i>	<i>Note</i>	Carrying Amount	As of December 31, 2022			Total
			Less than 12 months	2 - 3 years	4 - 8 years	
Trade and other accounts payable	9	50,439	48,852	1,587	-	50,439
Other financial liabilities						
Amortization of principal	10	1,090,104	140,057	880,790	69,257	1,090,104
Cash flows from payment of interest		-	47,053	76,797	745	124,595
Total liabilities		1,140,543	235,962	959,174	70,002	1,265,138

D. Capital management

The Company's objectives in managing capital are to safeguard its ability to continue as a going concern in order to provide the expected returns to its shareholders and the respective benefits to other stakeholders and to maintain an optimal capital structure to reduce capital cost.

For the purposes of maintaining or adjusting the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares or sell assets to reduce its debt.

The Company monitors its capital based on the debt-to-equity ratio. Such ratio is calculated by dividing the net debt by the total equity. The net debt corresponds to the total debt (including current and non-current debt) less cash and cash equivalents. The total equity corresponds to the net stockholders' equity, as shown in the separate statements of financial position, plus the net debt.

20. Fair Values

The Management considers that there are no significant differences between the carrying amount and the fair value of the Company's financial instruments as of June 30, 2023 and December 31, 2022, mainly due to their short-term maturity.

A. Financial instruments not measured at fair value

Below are the other financial instruments that are measured at amortized cost and which fair value is disclosed in this note, as well as the level of such fair value in the accounting hierarchy.

Level 1

- Cash and cash equivalents are not significantly exposed to credit or interest rate risks. Therefore, their carrying amounts approximate their fair value.
- Accounts receivable are net of the estimated provision for bad debts and have mainly maturities of less than three (3) months. Therefore, in the opinion of the Management, their fair value does not differ materially from their carrying amount.
- Trade and other accounts payable have current maturities; for this reason, in the opinion of the Management, their accounting balance approximates their fair value.

Level 2

- The fair values of the other financial liabilities have been determined comparing the market interest rates at their initial recognition and the current market rates related to similar financial instruments. The table below provides a comparison between the carrying amounts and the fair values of these financial instruments:

<i>In thousands of soles</i>	As of June 30, 2023		As of December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bank promissory notes	90,825	91,461	-	-
Bonds and bank loans	1,015,581	1,000,692	1,090,104	1,051,740

21. Subsequent Events

In the opinion of the Company's Management, between July 1, 2023 and the date of issuance of these separate financial statements, no other significant financial and accounting events have occurred that could affect the interpretation of these financial statements.