

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

UN-AUDITED Consolidated Interim Financial Statements

As of September 30, 2021, and December 31, 2020

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

Statement of Financial Position

For the periods ended September 30, 2021 and December 31, 2020

(In thousands of Soles)

	Notes	As of September 30, 2021	As of December 31, 2020
Assets			
Current Assets			
Cash and cash equivalents	3	595,651	561,120
Other Financial Assets		-	-
Trade Accounts Receivable and other accounts receivable		638,301	566,988
Trade Accounts Receivable , net	4	552,780	405,526
Other Accounts Receivable , net	4	36,623	120,165
Accounts Receivable from Related Companies	4	35,730	30,611
Advanced payments	4	13,168	10,686
Inventories	5	665,355	576,052
Biological Assets		-	-
Assets by Income Taxes	4	12,941	19,634
Other Non-Financial Assets		37,763	15,498
Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners		1,950,011	1,739,292
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		1,950,011	1,739,292
Non-Current Assets			
Other Financial Assets	3	-	21,708
Investments in subsidiaries, joint ventures and associates		22,102	23,994
Trade Accounts Receivables and other accounts receivables		99,703	55,924
Trade Accounts Receivable		-	-
Other Accounts Receivable	4	94,921	49,540
Accounts Receivable from Related companies		-	-
Advanced payments	4	4,782	6,384
Biological Assets		-	-
Investment Property		-	-
Property, Plant and Equipment , net	7	7,455,249	7,260,394
Intangible Assets , net	8	238,055	219,559
Assets Deferred Income Tax	12(a)	207,112	177,328
Surplus value	9	1,181,765	1,172,139
Other Assets		146,522	146,549
Total Non-current Assets		9,350,508	9,077,595
TOTAL ASSETS		11,300,519	10,816,887

	Notes	As of September 30, 2021	As of December 31, 2020
Liabilities and Stockholders' Equity			
Current Liabilities			
Other Financial Liabilities	11	706,433	1,110,123
Trade accounts payable and other payable accounts		813,334	664,759
Trade Accounts Payable	10	541,919	454,876
Other Accounts Payable	10	227,709	171,243
Accounts payable to related companies	10	21,213	22,753
Deferred Income		22,493	15,887
Provision for Employee Benefits		-	-
Other provisions		73,140	54,708
Income tax liabilities		84,120	16,435
Other non-financial liabilities	6(b)	9,057	9,873
Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale		1,686,084	1,855,898
Liabilities included in asset groups classified as held for sale		-	-
Total Current Liabilities		1,686,084	1,855,898
Non-Current Liabilities			
Other Financial Liabilities	11	3,478,644	3,345,632
Trade accounts payable and other payable accounts		40,878	42,548
Trade Accounts Payable		-	-
Other Accounts Payable	10	40,878	42,548
Accounts payable to related companies		-	-
Deferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		61,319	63,530
Liabilities Deferred Income Taxes	12(a)	601,618	595,086
Other non-financial liabilities	6(b)y22.1	60,334	61,903
Total Non-Current Liabilities		4,242,793	4,108,699
Total Liabilities		5,928,877	5,964,597
Stockholders' Equity			
Capital Issued	13	1,818,128	1,818,128
Issuance Premiums	13	-38,019	-38,019
Investment shares		-	-
Treasury Shares in portfolio		-4,226	-
Other Capital Reserves		363,626	363,626
Accrued Results		2,503,911	2,253,019
Other Equity Reserves		469,430	252,052
Shareholders' equity attribute to the owners of the Parent		5,112,850	4,648,806
Non Controlling interest		258,792	203,484
Total Stockholders' Equity		5,371,642	4,852,290
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		11,300,519	10,816,887

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

Income Statement

For the periods ended September 30, 2021 and 2020
(In thousands of Soles)

	Notes	For the specific quarter from July 1, to September 30, 2021	For the specific quarter from July 1, to September 30, 2020	For the cumulative period from January 1st to September 30, 2021	For the cumulative period from January 1st to September 30, 2020
Incomes from ordinary activities	14	1,355,549	1,000,277	3,635,637	2,421,088
Cost of Sales	15	-957,315	-763,324	-2,584,225	-1,882,164
Profit (Loss) Gross		398,234	236,953	1,051,412	538,924
Selling Expenses and distribution		-30,152	-23,361	-78,399	-61,979
Administrative expenses	16	-79,274	-67,438	-226,414	-177,398
Profit (Loss) in the write-off of financial assets carried at amortized cost		-	-	-	-
Other Operating Income	17	-45,081	3,033	61,120	20,789
Other Operating Expenses		-6,915	-1,792	-33,623	-72,919
Other profit (loss)		-	-	-	-
Profit (Loss) from operating activities		236,812	147,395	774,096	247,417
Financial Income		1,688	2,165	13,641	6,836
Financial Expenses	18	-60,076	-56,884	-173,741	-178,260
Exchange differences, net		-36,424	-9,904	-73,452	-58,939
Share of Profit (Loss) in net results from Equity-Accounted Joint Ventures and related companies		4,658	596	5,937	897
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		146,658	83,368	546,481	17,951
Income tax expenses	12(b)	-55,589	-21,424	-153,681	-9,549
Profit (Loss) Net of Continued Operations		91,069	61,944	392,800	8,402
Profit (loss) net of the tax to the profit from discontinued operations		-	-	-	-
Profit (loss) net of the year		91,069	61,944	392,800	8,402
Profit (Loss) net, attributable to :					
Owners of the Parent		74,538	54,390	338,814	-12,400
Non-controlling interest		16,531	7,554	53,986	20,802
Net Profit (Loss) of the Year		91,069	61,944	392,800	8,402

UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES
Statement of Comprehensive Income
For the periods ended September 30, 2021 and 2020
(In Thousands of Soles)

Notes	For the specific quarter from July 1, to September 30, 2021	For the specific quarter from July 1, to September 30, 2020	For the cumulative period from January 1st to September 30, 2021	For the cumulative period from January 1st to September 30, 2020
Net Profit (Loss) of the year	91,069	61,944	392,800	8,402
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	-701	2,496	3,935	-10,892
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	126,346	27,206	217,766	114,274
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	125,645	29,702	221,701	103,382
Other Comprehensive Income	125,645	29,702	221,701	103,382
Total Comprehensive Income for the period , net of income tax	216,714	91,646	614,501	111,784
Comprehensive Income attributable to:				
Owners of the Parent	197,330	82,508	556,192	88,189
Non-controlling interest	19,384	9,138	58,309	23,595
Total Comprehensive Income of the Year, net	216,714	91,646	614,501	111,784

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

Statement of Cash Flow

Direct Method

For the periods ended September 30, 2021 and 2020

(In thousands of Soles)

	Notes	As of January 1st, 2021 to September 30, 2021	As of January 1st, 2020 to September 30, 2020
Operating activities cash flows			
Types of cash collections from operating activities			
Sale of Goods and Services		4,164,155	2,944,075
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		10,375	7,032
Types of cash collections from operating activities			
Suppliers of goods and services		-2,458,393	-1,853,992
Contracts held for brokering or trading purposes		-	-
cash payments to and on behalf of employees		-460,898	-407,567
Elaboration or acquisition of assets to be leased and other assets held for sale		-	-
Other Cash Payments Related to Operating Activity		-220,335	-142,874
Cash flows and cash equivalents from (used in) Operating Activities		1,034,904	546,674
Interests received (not included in the Investment Activities)		-	-
Interests paid (not included in the Investment Activities)		-157,847	-163,129
Dividends Received (not included in the Investment Activities)		-	-
Dividends Paid (not included in the Investment Activities)		-	-
Income tax (paid) reimbursed		-111,729	-127,780
Other cash collections (payments)		-	-
Cash flows and cash equivalents from (used in) Operating Activities		765,328	255,765
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		3,662	1,712
Sale of intangible assets		-	-
Sale of other long- term assets		-	-
Government Subventions		-	-
Interests received		-	-
Dividends received		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	7(a)	-182,914	-140,802
Purchase of intangible assets		-8,417	-2,766
Purchase of other long- term assets		-	-
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to Investment activities		25,239	-
Cash flows and cash equivalents from (used in) investing activities		-139,995	-141,856
Cash flows from Financing activities			
Type of cash collections from financing activities			
Loan securing		1,799,058	1,287,332
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		-2,299,818	-984,686
Leasing liabilities		-10,288	-2,809
Changes to the subsidiaries ownership interest not resulting in the loss of control		-4,791	-
Redemption or repurchase of the entities' shares (Shares in the portfolio)		-4,226	-
Acquisition of other equity interest		-	-
Interests paid		-	-
Dividends paid		-86,991	-24,059
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to financing activities		3,435	-
Cash flows and cash equivalents from (used in) financing activities		-603,621	275,778
Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates		21,712	389,687
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		12,819	2,998
Increase (Decrease) in Net Cash and Cash Equivalents		34,531	392,685
Cash and cash equivalents at beginning of year		561,120	124,337
Cash and cash equivalents at end of year	3	595,651	517,022
		-	0

UNION ANDINA DE CEMENTOS S.A.A. AND SUBSIDIARIES
Statement of change in Stockholder's Equity
For the periods ended September 30, 2021 and 2020
(In Thousands of Soles)

	Other Equity Reserves														Subtotal	Shareholders' equity attribute to the owners of the Parent	Non-controlling Interest	Total Stockholders' Equity		
	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	
Balance as of January 1, 2020	1,818,128	-38,019	-	-	363,626	2,196,748	-29,215	-	-	162,668	-	-	-	-	-	-	133,453	4,473,936	166,109	4,640,045
1. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Restated Initial Balance	1,818,128	-38,019	-	-	363,626	2,196,748	-29,215	-	-	162,668	-	-	-	-	-	-	133,453	4,473,936	166,109	4,640,045
4. Changes in Stockholders' Equity:																				
5. Comprehensive Income:																				
6. Gain (Loss) for the year						-12,400												-12,400	20,802	8,402
7. Other Comprehensive Income:							-10,739			111,328							100,589	100,589	2,793	103,382
8. Comprehensive Income - Total year						-12,400	-10,739			111,328							100,589	80,189	23,595	111,784
9. Cash Dividends Declared						-23,636												-23,636	-319	-23,955
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																				
15. Increase (decrease) for transactions with Treasury Shares in Portfolio																				
16. Increase (Decrease) for Transfer and other Equity Changes						1,252												1,252	-343	909
Total Equity Increase (decrease)						-34,784	-10,739			111,328							100,589	65,805	22,933	88,738
Balance as of September 30, 2020	1,818,128	-38,019	-	-	363,626	2,161,964	-39,954			273,996							234,042	4,539,741	189,042	4,728,783
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																				
15. Increase (decrease) for transactions with Treasury Shares in Portfolio																				
16. Increase (Decrease) for Transfer and other Equity Changes																				
Total Equity Increase (decrease)						250,892	5,106			212,272							217,378	464,044	55,308	519,352
Balance as of September 30, 2021	1,818,128	-38,019	-	-4,226	363,626	2,503,911	-30,765			500,195							469,430	5,112,850	258,792	5,371,642

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

UN-AUDITED Consolidated Interim Financial Statements

As of September 30, 2021, and December 31, 2020

1. Identification and Economic Activity

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

As of September 30, 2021, and December 31, 2020, the Company is a subsidiary of Inversiones JRPR S.A. (hereinafter "the Principal" and ultimate parent of the economic group), who owns 42.22 percent direct and indirect participation in its capital stock. Inversiones JRPR S.A. has the control of directing the financial and operating policies of the Company.

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

The Company's main activity is the production and sale, for local and foreign market, of all types of cement and clinker. For this purpose, the Company owns two plants located in Lima and Junín, whose annual production capacity is 6.7 million tons of clinker and 8.3 million tons of cement.

The consolidated financial statements of the Company and subsidiaries (hereinafter "The Group") for the third quarter of 2021 have been issued and approved by Management. The consolidated financial statements of 2020 have been approved by the Group Management.

1.1 Acquisitions in 2021

(a) UNACEM Chile S.A. (formerly Cementos la Unión S.A. or CLU Chile)

On December 11, 2020, UNACEM signed with the Spanish companies Cementos La Unión S.A. and Áridos Jativa Sociedad Limitada, and with the Chilean company Inversiones Mel 20 Limitada (hereinafter the "Sellers"), a contract for the acquisition of 100 percent of the shares of UNACEM Chile S.A. (formerly CLU Chile) and 100 percent of the social rights of MEL20 (see note 1.1 (b)), subject to the fulfillment of certain conditions, among which is the approval of the acquisition by the Chilean National Economic Prosecutor's Office (FNE). On February 23, 2021, the transaction was approved by resolution of Role FNE F-257-2020 by the Chilean National Economic Prosecutor's Office (FNE). On March 19, 2021, UNACEM took control of CLU Chile and signed with the sellers an agreement to comply with the conditions and declarations that were determined in the contract of December 11, 2020.

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

Consequently, the Group acquired 100 percent of the direct and indirect participation of the capital shares of UNACEM Chile S.A., a company domiciled in Chile, which is engaged in the manufacture and sale of cement.

UNACEM Chile has a plant located in the port of San Antonio with a cement grinding and dispatch capacity of 300,000 tons/year, which is in full operation.

The approximate total amount of the operation was US\$ 23,131,000, which includes the purchase price of approximately US\$ 3,000, which was fully paid by UNACEM and the debt of UNACEM Chile for US\$ 23,128,000 guaranteed by UNACEM, see note 4 (c).

Notes to the consolidated financial statements (continued)

(b) **Inversiones Mel 20 Limitada (MEL20)**

By virtue of the agreement signed on March 19, 2021 (see note 1.1 (a)), UNICON Chile signed with the sellers a contract for the assignment of rights and modification of the company and consequently took control of MEL20 in that same date. The acquisition value was for approximately US\$ 1,000, which was fully paid by UNICON Chile.

Consequently, the Group acquired 100 percent of the direct and indirect participation of the capital shares of MEL20, a company domiciled in Chile, which is engaged in the purchase, production, transformation of concrete-based construction products, manufacturing and sale of ready-mixed concrete and construction activities in general.

MEL20 has a ready-mix concrete unit with 2 plants located in the Santiago Metropolitan Region with a capacity of 336,000 m³ / year of ready-mixed concrete and a fleet of concrete mixer trucks, which are in full operation.

The Group acquired UNACEM Chile S.A. and Inversiones MEL20 Limitada, as part of the consolidation and diversification strategy of cement, concrete and precast operations in the region. Likewise, it seeks to generate synergies, optimization of expenses and share engineering experience between countries.

As of September 30, 2021, the Group's Management has made its best estimate regarding this operation, generating a negative goodwill for approximately S/ 9,436,000 recognized in results within the caption "Other Income", see note 17. However, according to IFRS 3, the Group's Management has a term of one year from the acquisition date to establish the final fair values of assets and liabilities of UNACEM Chile and MEL20.

1.2 COVID-19

The 2021 and 2020 were years of great challenges for the world and the countries in which the Group operates, because of the COVID-19 pandemic. In this context, the Company and its subsidiaries implemented plans of measures that have allowed them to cope with this crisis, having as a fundamental pillar to ensure the safety and health of their employees, and the sustainability of the Company and its subsidiaries and of all its shareholders. Likewise, the Peruvian government continues to take the necessary actions to mitigate the effects of a possible "third wave" of COVID-19 as well as to safeguard the payment chain of companies, for which it ordered, among other actions, the reprogramming of the Credits guaranteed with the Reactiva Peru Program and the Business Support Fund for the MYPE (FAE MYPE).

Likewise, the Ecuadorian and Chilean governments continue to develop and apply certain actions in the event of a possible outbreak of COVID-19, with the purpose of promoting the economic development of their respective countries.

The Management of the UNACEM Group and subsidiaries has been executing its business plan in accordance with the provisions and adjusting the necessary measures considering the evolution of the health crisis.

Notes to the consolidated financial statements (continued)

1.3 Information on the structure of the Subsidiaries -

As of September 30, 2021, and December 31, 2020, the Company's consolidated statements include the following subsidiaries (figures according to IFRS and before eliminations for consolidation purposes):

Country of Incorporation	Entity	Main economic activity	Percentage of participation				Asset		Liabilities		Net Equity		Profit (loss)(vi)	
			2021		2020		2021	2020	2021	2020	2021	2020	2021	2020
			Direct	Indirect	Direct	Indirect	S/ (000)	S/ (000)	S/ (000)	S/ (000)	S/ (000)	S/ (000)	S/ (000)	S/ (000)
Peru	Inversiones Imbabura S.A. and Subsidiaries (i)	Production and sale of cement	100.00	-	100.00	-	2,201,911	1,947,595	504,387	394,071	1,697,524	1,553,524	91,387	51,930
Unites States	Skanon Investments Inc. and Subsidiaries (ii)	Manufacture and sale of cement Concrete	95.76	-	86.55	8.68	1,916,637	1,473,702	782,795	615,024	1,133,842	858,678	9,365	4,775
Peru	Compañía Eléctrica El Platanal S.A. y Subsidiaries (iii)	Electrical energy and power	90.00	-	90.00	-	1,201,728	1,231,393	435,202	486,585	766,526	744,808	21,718	(207)
Peru	Inversiones en Concreto y Afines S.A. y subsidiarias (iv)	Sale of concrete and ready mix	93.38	-	93.38	-	1,049,043	1,034,771	626,514	624,757	422,529	410,014	46,285	(35,994)
Chile	UNACEM Chile S.A., see note 1.1 (a)	Production and sale of cement	99.81	0.19	-	-	295,201	-	218,289	-	76,912	-	(8,180)	-
Peru	Prefabricados Andinos Perú S.A.C. and Subsidiary (v)	Manufacture and sale Precast Concrete	50.02	-	50.02	-	70,185	65,137	56,171	47,176	14,014	17,961	(4,372)	(4,917)
Chile	Prefabricados Andinos S.A. (PREANSA Chile)	Manufacture and sale Precast Concrete	51.00	-	51.00	-	89,612	79,544	82,490	69,405	7,122	10,139	(1,235)	3,255
Peru	Transportes Lurín S.A.(LURIN)	Investments in securities	99.99	-	99.99	-	1,037	35,166	1	-	1,036	35,166	(4,484)	(8)
Peru	Generación Eléctrica de Atocongo S.A. (GEA)	Thermal plant operation services	99.85	0.15	99.85	0.15	38,776	33,339	38,683	31,765	93	1,574	(1,481)	552
Peru	Depósito Aduanero Conchán S.A. (DAC)	Warehouse services	99.99	-	99.99	-	2,409	1,962	1,433	1,346	976	616	(170)	(470)
Peru	Inversiones Nacionales y Multinacionales Andinas S.A.	Real estate business	90.90	9.10	90.90	9.10	18,281	18,266	4,959	4,957	13,322	13,309	12	52
Peru	Vigilancia Andina S.A.(VASA)	Surveillance services	55.50	44.50	55.50	44.50	15,785	15,060	8,650	8,504	7,135	6,556	597	738
Peru	ARPL Tecnología Industrial S.A. (ARPL)	Technical assistance and engineering services	100.00	-	100.00	-	41,835	65,766	6,401	25,149	35,434	40,617	472	1,712
Peru	Minera Adelaida S.A. (MINERA)	Holding	99.99	-	99.99	-	350	348	209	204	141	144	(204)	(175)
Peru	Naviera Conchan S.A. (NAVIERA)	Holding	100.00	-	100.00	-	10	10	9	21	1	(11)	(9)	(15)
Unites States	Staten Island Company Inc. and Subsidiaries (ii)	Sale of aggregates	-	-	100.00	-	-	141,370	-	38,265	-	103,105	-	7,843

- (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). Through a shareholders' act held on May 10, 2021, UNICON Peru approved the sale of 100 percent of its shares in UNICON Ecuador in favor of IMBABURA for the amount of S/ 51,114,000 (equivalent to US\$ 13,000,000) and dated June 29, 2021, the transfer of participation was registered in the Mercantile Registry Ecuador. Additionally, on July 9, the merger of UNACEM Ecuador as absorbing company and UNICON Ecuador as absorbed company was approved and on August 12, 2021, the public deed of "Merger by absorption" was presented to the Superintendency of Companies of Ecuador. For its review and approval, as of September 30, 2021, such approval is still pending.
- (ii) The main subsidiaries of Skanon Investments Inc. (SKANON) are: Drake Cement LLC, Sunshine Concrete & Materials Inc., Maricopa Ready Mix LLC., Ready Mix Inc., Desert Ready Mix and Staten Island Company, Inc (SIC) which in turn has the following subsidiaries: Staten Island Holding LLC (SIH), Staten Island Terminal LLC (SIT) and Desert Aggregates (DA). On May 17, 2021, the Company contributed its shares in Staten Island Co. LLC and subsidiaries in favor of Skanon Investments Inc for approximately S/ 58,953,000 (equivalent to US\$ 16,055,000). Additionally, on June 28, 2021, the Company purchased shares in Skanon Investments Inc. from its subsidiaries Inversiones en Concreto y Afines S.A for S/ 59,569,000, Transportes Lurín S.A. for S/ 29,646,000 and ARPL Tecnología Industrial S.A. for S/ 17,049,000 (equivalent to US\$ 15,142,000, US\$ 7,536,000, and US\$ 4,334,000 respectively).
- (iii) The subsidiaries of Compañía Eléctrica El Platanal S.A. (CELEPSA) are: Ambiental Andina S.A.C (AMBIAND), Celepsa Renovables S.R.L. (Cere) and Ecorer S.A.C. (ECORER).
- (iv) The subsidiary of Inversiones en Concreto y Afines S.A. (INVECO) is Unión de Concreteras S.A. (UNICON Perú), which in turn has the following subsidiaries: Concremax S.A (CONCREMAX), Entrepisos Lima S.A.C. (ENTREPIOSOS) and Unicon Chile S.A. (UNICON Chile). Likewise, UNICON Chile has its subsidiary Inversiones MEL20 Limitada (MEL20) acquired in March 2021, see note 1.1 (b).
- (v) The subsidiary of Prefabricados Andinos Perú S.A.C. (PREANSA Perú) is: Prefabricados Andinos Colombia S.A.S (PREANSA Colombia).
- (vi) Balances as of September 30, 2021, compared to balances as of September 30, 2020.

Notes to the consolidated financial statements (continued)

2. Summary of significant accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with the policies considered in the preparation of the Company's audited consolidated financial statements as of December 31, 2020, unless otherwise indicated.

2.1 Basis of preparation -

The Company Consolidated Interim Financial Statements have been prepared according to the IAS 34 Interim financial information issued by the International Accounting Standards Board (IASB).

The Interim Consolidated Financial Statements have been prepared based on a historical cost basis, except for derivative financial instruments and the social benefits for retirement and eviction, that have been measured at fair value, based on the accounting records of each of the subsidiaries in the Group. The Consolidated Interim Financial Statements are presented in soles and all values are rounded to the nearest thousand (S/.000), except when otherwise indicated.

The interim consolidated financial statements provide comparative information for earlier periods, however, does not include all information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated audited report as of and for the year ended on December 31, 2020.

2.2 Basis of consolidation-

The interim consolidated financial statements include the financial statements of the Company and its subsidiaries as of September 30, 2021, and December 31, 2020.

The control criteria that the Group considers are described in the notes to the annual consolidated financial statements as of December 31, 2020.

2.3 New accounting pronouncements, interpretations, and modifications -

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, 2020.

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

Notes to the consolidated financial statements (continued)

3. Cash and cash equivalents

(a) This item is made up as follows:

	As of September 30, 2021	As of December 31, 2020
	S/ (000)	S/ (000)
Term deposits (c)	359,971	337,064
Checking and savings accounts (b)	222,391	210,671
Mutual Funds	11,745	11,935
Petty cash	1,544	1,450
	<u>595,651</u>	<u>561,120</u>
Financial investments	<u>-</u>	<u>21,708</u>
	<u>-</u>	<u>21,708</u>

(b) Current and savings accounts are maintained in local and foreign currency, kept in local and foreign banks and are freely available. These deposits earn interest at market rates.

(c) Correspond to deposits held in local and foreign financial institutions, mainly in Soles and US dollars, which accrue interests at market rates.

Notes to the consolidated financial statements (continued)

4. Trade and other receivable, net

(a) This item is made up as follows:

	Current		Non-current	
	As of September 30, 2021 S/ (000)	As of December 31, 2020 S/ (000)	As of September 30, 2021 S/ (000)	As of December 31, 2020 S/ (000)
Commercial:				
Trade accounts receivable(b)	537,936	383,565	18,886	16,594
Provision of bills receivable	35,305	32,185	-	-
	<u>573,241</u>	<u>415,750</u>	<u>18,886</u>	<u>16,594</u>
Related:				
Accounts receivable from related parties, note 19(b)	35,730	30,611	-	-
Various:				
Claims to Tax authority, note 21.3	9,207	7,468	78,015	38,554
Advances to suppliers	13,168	10,686	4,782	6,384
Claims to third parties	7,389	6,449	-	-
Loans to employees	6,568	6,837	8,749	6,682
Loans to employees (c)	-	83,678	-	-
Account receivable from the Escrow fund	-	3,374	-	-
Derivative financial instruments, note 22.1(f)	-	-	213	-
Other accounts receivable	14,066	14,145	7,188	3,825
	<u>50,398</u>	<u>132,637</u>	<u>98,947</u>	<u>55,445</u>
Advance payments of income tax (e)				
Temporary tax on net assets	12,941	19,634	-	-
Tax Credit due to General sales tax	5,401	4,529	756	479
	<u>18,342</u>	<u>24,163</u>	<u>756</u>	<u>479</u>
	<u>677,711</u>	<u>603,161</u>	<u>118,589</u>	<u>72,518</u>
Less - Expected credit loss (d)	(26,469)	(16,539)	(18,886)	(16,594)
	<u>651,242</u>	<u>586,622</u>	<u>99,703</u>	<u>55,924</u>

(b) Trade account receivables are mainly in Soles and US dollars, have current maturities and do not generate interests. The banks notes receivable has current maturity and earn interest at prevailing market rates.

(c) As described in note 1.1, the Company signed a contract for the acquisition of UNACEM Chile.

On December 9, 2020, the Company provided a loan for US\$ 23,128,000 (equivalent to approximately S/ 83,678,000) in order to use it to pay off the balance of the loan maintained with Banco Santander in favor of UNACEM Chile. The loan granted by the Company has specific guarantees in its favor and will be paid in 2021, applying an effective annual interest rate equivalent to 2.42 percent. As of September 30, 2021, the reclassification was made to accounts receivable from related parties, which is eliminated in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

(d) According to the Group Management opinion, the allowance for doubtful accounts covers satisfactorily the loan losses as of September 30, 2021, and December 31, 2020.

(e) As of September 30, 2021, and December 31, 2020, the Group performed the evaluation of credit risk exposure in trade accounts receivable and others, see note 22.2.

5. Inventories, net

(a) This item is made up as follows:

	As of September 30, 2021	As of December 31, 2020
	S/ (000)	S/ (000)
Spare parts and supplies	286,635	238,340
Raw and auxiliary materials	198,475	175,095
Work in progress	174,887	154,520
Finished goods	33,495	38,901
Packages and packing	29,778	18,053
Inventory in transit	3,668	10,867
	<hr/>	<hr/>
	726,938	635,776
Allowance for impairment of inventories (b)	(61,583)	(59,724)
	<hr/>	<hr/>
	665,355	576,052
	<hr/>	<hr/>

(b) In opinion of the Group's Management, the allowance for obsolescence of inventories covers appropriately its obsolescence risk as of September 30, 2021, and December 31, 2020.

6. Usage rights of Asset and Liabilities

(a) Usage rights of Asset

(i) As of September 30, 2021, and December 31, 2020, the book value amounts to approximately S/ 22,388,000 and S/ 22,559,000, respectively; the main leases being the item of land and various equipment.

(ii) As of September 30, 2021, and 2020, depreciation amounts to approximately S/ 9,380,000 and S/ 6,740,000, respectively; recorded in Cost of sales, Administrative expenses and Sales expenses of the consolidated income statement, see note 15 and 16.

(b) Lease liabilities

(i) This item is made up as follows:

	As of September 30, 2021	As of December 31, 2020
	S/ (000)	S/ (000)
Classification -		
Current	9,057	9,873
Non-current	14,353	13,105
	<hr/>	<hr/>
Ending Balance	23,410	22,978
	<hr/>	<hr/>

Notes to the consolidated financial statements (continued)

7. Mining concessions and property, plant and equipment, net

(a) This item is made up as follows:

	As of September 30,	As of December 31,
	2021	2020
	S/ (000)	S/ (000)
Cost -		
Opening Balance	11,208,243	10,710,986
Additions (c)	202,836	279,000
Acquisition of Subsidiaries (d)	151,324	-
Reclassification of spare parts	(24,132)	49,969
Withdrawals, sales and others (e)	(38,198)	(94,016)
Exchange rate impact	423,435	262,304
	<hr/>	<hr/>
Ending Balance	11,923,508	11,208,243
	<hr/>	<hr/>
Accumulated depreciation -		
Opening Balance	3,947,849	3,461,672
Depreciation of the period (f)	332,649	429,001
Acquisition of Subsidiaries (d)	57,047	-
Withdrawals, sales and others (e)	(25,835)	(35,397)
Exchange rate impact	156,549	92,573
	<hr/>	<hr/>
Ending Balance	4,468,259	3,947,849
	<hr/>	<hr/>
Net book value -	7,455,249	7,260,394
	<hr/>	<hr/>

(b) As of September 30, 2021, and December 31, 2020, the book value of the assets acquired through financial lease and lease agreements amounts to approximately S/ 152,726,000 and S/ 152,511,000, respectively. The leased assets guaranteed financial lease liabilities, see note 11.1.

(c) The additions during the year 2021, correspond mainly to:

- (i) Additions of the Company correspond to disbursements made for the projects of the cooler dusting system, migration of the control system, installation of valve rack, major maintenance and modernization of the Cenit and Pillard system, carried out at kiln 2; in addition, the change of reducer in cement mill 6, change of fan motor of the 4th floor of kiln 3, change of sleeves of kiln 4, change of plates of cement mill 8 and calcined clays in kiln 1, corresponding to the plant Condorcocha. Likewise, disbursements made for the projects to change the shell of the cement mill, structural reinforcement and internal modification of chamber No. 1 of the multisilo, fire-fighting system in the electrical substations and main strips, repair of the clinker tower 1, structural reinforcement and modification of chamber 4 of the multisilo, corresponding to the Atocongo plant; for a total of approximately S/ 51,677,000.
- (ii) Additions of SKANON subsidiaries for: i) acquisition of machinery and equipment for approximately US\$ 3,289,000 (equivalent to S/ 13,592,000), ii) acquisition of transportation units for approximately US\$ 2,358,000 (equivalent to S/ 9,744,000) and projects of Drake Cement for, i) comprehensive mill project for approximately US\$ 3,206,000 (equivalent to S/13,248,000), ii) new storage construction project for approximately US\$ 1,244,000 (equivalent to S/ 5,139,000), iii) crude mill improvements for approximately

Notes to the consolidated financial statements (continued)

US\$ 1,027,000 (equivalent to S/ 4,245,000 and iv) a new crude mill construction project for approximately US\$ 372,000 (equivalent to S/ 1,536,000).

- (iii) Additions of UNICON Peru subsidiaries for: i) overhaul of trucks and machinery and equipment for approximately S/ 6,147,000, ii) purchase of mixer trucks for approximately S/ 3,620,000 and for Concremax i) plant construction project for the new dry mix of bagged for approximately S/ 6,666,000.
- (iv) Additions of the Subsidiary UNACEM Ecuador for a Biomass conditioning project to increase Fuel for approximately US\$ 614,000 (equivalent to S/ 2,539,000).

The additions during fiscal year 2020 correspond mainly to:

- (i) Additions of the Company correspond to disbursements made for the projects of the dedusting system of kiln 2 cooler including the bag filter, migration of the control system of kiln 2, firefighting system in electrical substations, modernization in Carpapata 1 Hydroelectric Power Plant and 2, major maintenance of kiln 2 and roofing of the clinker field, corresponding to the Condorcocha plant; as well as disbursements made for the project of structural reinforcement and internal modification of chamber 1 and 3 of the multisilo, change of variators in the oil press substation 3 and clinker 1, water installations against fire, fire protection system in electrical substations, system of ecological limestone conveyor belts from Manchay to Atocongo, major maintenance of kiln 1, change of gearboxes in clinker roller press 4, change of control panels of line 2 including migration to Siemens industrial control system and repair of clinker tower 1, corresponding to the Atocongo plant for a total of approximately S/ 69,644,000.
- (ii) Additions of the subsidiary Drake Cement for: i) acquisition of machinery and equipment for approximately US\$ 2,856,000 (equivalent to S/ 10,333,000) and ii) construction projects of a new warehouse and comprehensive mill project for approximately US\$ 6,136,000 (equivalent to S/ 22,199,000).
- (iii) Additions of the subsidiary Drake Materials for: i) acquisition of machinery and equipment for approximately US\$ 2,499,000 (equivalent to S/ 9,040,000) and ii) plant project to produce aggregates for approximately US\$ 3,879,000 (equivalent to S/ 14,034,000).
- (iv) Additions of the Desert Ready Mix subsidiary for: i) acquisition of machinery and equipment for approximately US\$ 1,254,000 (equivalent to S/ 4,535,000) and ii) acquisition of mixer trucks and other transportation units for approximately US\$ 1,638,000 (equivalent to S/ 5,928,000).
- (v) Additions of the subsidiary Desert Aggregates for the acquisition of machinery, equipment, and loader trucks for approximately US\$ 2,167,000 (equivalent to S/ 7,841,000).
- (vi) Additions of works in progress of the subsidiary UNACEM Ecuador for the construction of grinding station No. 3, engine-crankshaft component, construction of the cement mill chimney and opacimeter, for approximately US\$ 1,481,000 (equivalent to S/ 5,358,000).
- (vii) Additions of the subsidiaries UNICON Peru for: i) acquisition of mixer trucks, front loaders and other equipment acquired under financial lease for approximately S/ 5,878,000 and ii) Overhaul of trucks for approximately S/ 8,723,000.

Notes to the consolidated financial statements (continued)

- (viii) Additions of the subsidiaries CELEPSA and CERE due to social commitments assumed through framework agreements for land purchase for approximately S/ 9,171,000.
- (d) Correspond to assets from companies UNACEM Chile S.A. and Inversiones MEL20 Limitada, see note 1.1.
- (e) As of December 31, 2020, it mainly includes the disposals of assets for approximately S/ 57,537,000 related to the suspension of the Atocongo thermal plant projects and the integral plan of the Cristina mining concession because of the pandemic COVID -19.

- (f) Depreciation has been distributed as follows:

	As of September 30,	As of September 30,
	2021	2020
	S/ (000)	S/ (000)
Cost of sales, see note 15	319,721	299,344
Administrative expenses, see note 16	10,716	8,814
Other expenses	1,640	1,430
Selling expenses	572	587
Inventories in process	-	3,924
	<u>332,649</u>	<u>314,099</u>

- (g) As of September 30, 2021, the Group has guarantees on real estate that guarantee bank loans that are detailed below:
- (i) The subsidiary Skanon maintains guarantee contracts on the plant, transportation units and equipment located in the United States of America, which guarantee bank loans, see note 11.1 (a).
- (ii) The subsidiary UNICON Peru maintains a mortgage of Ancieta and Villa El Salvador plants for up to S/ 100,000,000, with Scotiabank Peru to guarantee the loan obtained with this entity, see note 11.1 (a).
- (iii) Also, the subsidiary Celepsa Renovables SRL, maintains two mortgages on property, machinery, and equipment for approximately US\$ 40,820,000 (equivalent to S/.168,832,000) to guarantee the loan obtained for the construction of the Marañon Hydroelectric Plant, see note 11.1 (a).
- (iv) The subsidiary UNACEM Chile maintains a mortgage on the San Antonio plant, for approximately US\$ 23,000,000, with Banco de Crédito e Inversiones (BCI) to guarantee the loan obtained with this entity, see note 11.1 (a).
- (h) According to management's opinion, the Group has insurance policies which cover satisfactorily all of its fixed assets.

Notes to the consolidated financial statements (continued)

8. Intangible assets, net

(a) The depreciation was distributed as follows:

	As of September 30, 2021	As of September 30, 2020
	S/ (000)	S/ (000)
Cost of sales, see note 15	3,325	4,021
Administrative expenses, see note 16	2,536	2,094
Selling expenses	2,405	307
Other expenses	2,303	2,247
	<u>10,569</u>	<u>8,669</u>

9. Goodwill

The goodwill balance as of September 30, 2021, and December 31, 2020, is mainly composed by the higher value paid for the acquisition of UNACEM Ecuador S.A that amounts to S/. 1,023,795,000.

10. Trade and other payables

(a) This item is made up as follows:

	As of September 30, 2021	As of December 31, 2020
	S/ (000)	S/ (000)
Trade payable (b)	541,919	454,876
Salaries and vacation payable	75,768	52,943
Customer advances	38,724	33,464
Value Added to Tax payable	24,329	10,492
Taxes, contributions, and labor contributions payable	23,022	17,800
payable		
Accounts receivable from related parties, note 19(b)	21,213	22,753
Interest payable, note 11 (c) and 11.1 (c)	20,709	21,187
Commitments to communities	17,469	17,621
Dividends payable, note 13 (g)	10,693	11,668
Director's remunerations payable	2,839	1,247
Interest on financial instruments payable	2,550	2,198
Other accounts payable	52,484	45,171
	<u>831,719</u>	<u>691,420</u>
Term -		
Current Portion	790,841	648,872
Non- Current Portion	40,878	42,548
	<u>831,719</u>	<u>691,420</u>

Notes to the consolidated financial statements (continued)

- (b) Trade account payables are mainly generated, by the acquisition of goods and services to development the Group's operations and correspond to invoices payable to national and foreign suppliers, have current maturity, do not yield interests and do not have guarantees.

The UNICON Perú and CONCREMAX subsidiaries offer their suppliers a program for the payment of their accounts through financial institutions. This program allows suppliers to sell their accounts receivable to financial institutions in a separate negotiated agreement between the supplier and the financial institution, allowing suppliers to better manage their cash flows and reducing their payment processing costs to subsidiaries. These subsidiaries have no direct financial interest in these transactions. All obligations with its suppliers are maintained according to the contractual agreements entered into between the counterparts. As of September 30, 2021, and December 31, 2020, the balances related to these operations amount to S/ 80,319,000 and S/ 67,357,000, respectively.

11. Other financial liabilities

- (a) This item is made up as follows:

	As of September 30, 2021			As of December 31, 2020		
	Portion Current	Portion Non- Current	Total	Portion Current	Portion Non- Current	Total
	S/ (000)	S/ (000)	S/ (000)	S/ (000)	S/ (000)	S/ (000)
Interest on bonds and long-term debt, see note 11.1(a)	551,803	3,478,644	4,030,447	679,405	3,345,632	4,025,037
Bank overdrafts	116,630	-	116,630	278	-	278
Bank loans (b) and (c)	38,000	-	38,000	430,440	-	430,440
	<u>706,433</u>	<u>3,478,644</u>	<u>4,185,077</u>	<u>1,110,123</u>	<u>3,345,632</u>	<u>4,455,755</u>

- (b) As of September 30, 2021, bank promissory notes correspond mainly to financing for working capital with fixed interest rates in soles at 0.98 percent annually (in soles between 2.35 and 3.68 percent annually and in dollars between 2.55 and 3.20 percent per year as of December 31, 2020), do not have specific guarantees and are renewed depending on the Group's working capital needs.

As of September 30, 2021, and December 31, 2020, the balance per bank is as follows:

Financial entity -		2021	2020
		S/ (000)	S/ (000)
Banco de Crédito del Perú S.A.	May 2022	38,000	123,000
BBVA Banco Continental S.A.	-	-	217,440
Scotiabank Perú S.A.	-	-	90,000
		<u>38,000</u>	<u>430,440</u>

- (c) As of September 30, 2021, and December 31, 2020, the interest payable amounts to approximately S/146,000 and S/2,926,000, respectively, and are recorded in the caption "Trade and other payable" of the separate statement of financial position, see note 10(a). As of September 30, 2021 and 2020, the interest expenses amounted to approximately S/1,964,000 and S/6,274,000, respectively, and are included in the caption "Financial costs" of the consolidated statement of income.

Notes to the consolidated financial statements (continued)

11.1 Bank bonds and loans

(a) The balance is detailed below:

	Maturity rate	Guarantee	As of September 30, 2021 S/ (000)	As of December 31, 2020 S/ (000)
Bonds-				
Bonds of Arizona State (a.3)	September 2035 and November 2035	Letter of credit, see note 2.1.1(c)	475,640	416,760
Corporate Bonds (a.4)	March 2023	No guarantees	60,000	60,000
Amortized cost			535,640	476,760
			(11,814)	(11,453)
			<u>523,826</u>	<u>465,307</u>
Bank loans (b) -				
Banco de Crédito del Perú – BCP	March 2022, November 2025 and October 2026	No guarantees	723,029	793,780
Scotiabank del Perú	October 2024, March 2025 and January 2027	No guarantees	671,547	621,547
BBVA Banco Continental	January 2027	No guarantees	533,357	323,357
Banco Internacional del Perú	January 2027	No guarantees	228,385	488,385
Citibank N.A. (a.1)	October 2025	No guarantees	206,800	181,200
Santander S.A. (a.1)	November, 2023	No guarantees	186,121	163,080
Santander S.A.	March 2023	No guarantees	144,760	126,840
Banco de Crédito del Perú – BCP	March 2022 and March 2027	No guarantees	140,624	123,216
Banco de Crédito del Perú – BCP	August 2030	Guarantee on movable and immovable property, see note 7 (g)	112,987	102,756
Bank of Nova Scotia (a.1)	September 2025	No guarantees	99,264	103,284
Banco de Crédito e Inversiones (BCI)	June, 2024	Guarantee on property, see note 7 (g)	86,683	-
Scotiabank del Perú	April 2025	Guarantee on property, see note 7 (g)	54,000	72,000
Citibank N.A. New York	July 2024	No guarantees	30,331	31,559
BBVA Banco Continental	December, 2024	No guarantees	28,772	28,773
Banco Internacional del Perú (a.2)	Between May 2022 and September 2023	Reactiva Peru	21,408	39,387
Banco Scotiabank (Chile) (a.1)	August 2022	Letter of credit, see note 2.1.1(b)	16,715	14,490
BBVA Banco Continental (a.1)	November 2022	Letter of credit, see note 2.1.1(b)	12,812	11,486
Banco de Crédito del Perú – BCP (a.2)	May 2023	Reactiva Peru	9,566	11,461

Notes to the consolidated financial statements (continued)

	Maturity rate	Guarantee	As of September 30, 2021 S/ (000)	As of December 31, 2020 S/ (000)
Scotiabank (Chile)	Between March 2022 and October 2023	No guarantees	9,687	15,257
Scotiabank del Perú	-	-	-	27,180
Banco de Crédito del Perú – BCP	-	-	-	24,571
Scotiabank del Perú (a.2)	-	Reactiva Peru	-	10,000
Less than S/. 10,000.000	-	-	62,625	70,050
			<u>3,379,473</u>	<u>3,383,659</u>
Amortized cost			(12,281)	(15,800)
			<u>3,367,192</u>	<u>3,367,859</u>
Finance leasebacks -				
Scotiabank (Chile)	March 2024	-	2,691	3,315
Banco de Crédito del Perú S.A.	-	-	-	49,935
			<u>2,691</u>	<u>53,250</u>
Amortized cost			-	(105)
			<u>2,691</u>	<u>53,145</u>
Finance leases -				
Consorcio Transmantaro S.A.	July 2039	-	63,177	55,762
Scotiabank del Perú S.A.	Between November 2021 and September 2024	-	22,628	26,263
Banco de Crédito e Inversiones (BCI)	November 2027	-	10,464	11,087
Less than S/. 10,000.000	-	-	33,943	45,217
			<u>130,212</u>	<u>138,329</u>
Factoring			6,526	397
Total			<u>4,030,447</u>	<u>4,025,037</u>

Notes to the consolidated financial statements (continued)

(a.1) The Group entered swap contracts to reduce the risk of the variable rate related to these loans, see note 22.1 (i) (a) and (ii).

(a.2) As of September 30, 2021, and December 31, 2020, the Group maintains a balance of long-term loans for approximately S/ 30,974,000 and S/ 60,848,000, respectively, with various Peruvian local entities, through the Reactiva Peru program created by Legislative Decree No. 1457 in order to respond quickly and effectively to liquidity needs in the face of the impact of COVID-19. Said loan accrues an interest between 0.79 and 1.18 percent annually and matures between May 2022 and September 2023 with a grace period of 12 months.

(a.3) On November 18, 2010, Drake Cement, LCC obtained financing through the issuance of bonds from the Yavapai County Development Authority, Arizona, United States of America, with the purpose of financing part of the investment in the cement plant of said subsidiary up to an amount of US\$ 40,000,000 maturing in September 2035 and a monthly payment of interest based on a variable interest rate (Securities Industry and Financial Markets Association Index rate). variable plus 3,245 percent, compared to a maximum interest rate of 12 percent as of September 30, 2021, and December 31, 2020. The bonds are secured by a letter of credit from the bank, see note 21.1 (c).

On July 30, 2015, Drake Cement, LLC obtained a US\$75,000,000 bond with the purpose of refinancing part of the investment in the cement plant, maturing in September 2035 and with a monthly interest payment on the basis of a variable interest rate (Securities Industry and Financial Markets Association Index rate) variable rate plus 2.75 and 0.1 percent, compared to a maximum interest rate of 12 percent as of September 30, 2020 and December 31, 2020. The bonds are secured by a letter of credit from the bank, see note 21.1 (c).

These bonds have the following conditions:

- The subsidiary cannot increase certain debt, for more than US\$ 5,000,000 of the outstanding balance at the time of the bond issue, excluding refinancing.
- To maintain an interest coverage ratio equal or greater than 1.0

In Management's opinion, Drake Cement has complied with the restrictive consideration and financial safeguard required by the state of Yavapai as of September 30, 2021 and December 31, 2020.

(a.4) On April 7, 2010, the General Shareholders' Meeting approved the "Second Program of Issuance of Debt Instruments up to a maximum outstanding amount of US\$150,000,000 or its equivalent in Soles". As of September 30, 2021, and December 31, 2020, the Company still pays the amount of the second issuance for S/ 60,000,000.

(b) The financial covenants applicable to financial liabilities are for quarterly, semi-annual and annual monitoring and must be calculated based on the separate and/or consolidated financial information of the Company and its subsidiaries and the calculation methodologies required by each financial entity.

(i) As of September 30, 2021, the main financial covenants based on the consolidated financial information are as follow:

Unión Andina de Cementos S.A.A.:

- Maintain an index debt minor or equal to 1.5 times.
- Maintain a debt service coverage ratio greater than or equal to 1.2 times.

Notes to the consolidated financial statements (continued)

- Maintain an interest coverage ratio major o equal to 3.0 times.
- Maintain an index of hedge of debt of financial debt/EBITDA minor to 5.0 times.

Unacem Ecuador S.A.:

- Maintain debt service coverage ratio greater than or equal to 1.2 times.
- Maintain a total financial debt ratio between EBITDA less than or equal to 3.75 times.

Unión de Concreteras S.A.:

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

Concremax S.A.:

- Maintain a debt service coverage ratio greater than or equal to 1.25 times.
- Maintain an index of hedge of debt of financial debt/EBITDA minor or equal to 2.5 times.

Unicon Chile S.A.:

- Maintain a debt service coverage ratio greater than or equal to 1.0 time.
- Maintain an index debt minor or equal to 1.8 times.
- Maintain an index of hedge of debt of financial debt/EBITDA minor or equal to 3.5 times.

Celepsa Renovables S.A.C.:

- Maintain a debt service coverage ratio greater than or equal to 1.20 times.
- Maintain an index debt minor or equal to 1 time.

Prefabricados Andinos Perú S.A.C:

- Maintain a leverage ratio less than or equal to 1 time.
- Maintain a debt ratio less than or equal to 2.5 times.
- Maintain debt service coverage ratio greater than or equal to 1 time.

- (ii) As of September 30, 2021, the main financial covenants based on the consolidated financial information are as follow:

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

- Maintain an index debt minor or equal to 1.5 times.
- To maintain a debt service coverage ratio greater than 1.10 times for the year 2021 and 1.20 times from Year 2022 onwards
- To maintain a debt coverage ratio or financial debt / EBITDA less than or equal to 4.75 times for the year 2021 and 4.0 times for the year 2022 and 3.75 times from the year 2023 onwards.

Skanon Investments Inc. and Subsidiaries:

- Maintain a leverage ratio of less than 1.0 time.

As of September 30, 2021, the Company and its subsidiaries have complied with the financial covenants, apart from PREANSA Peru whose obligation expires in the short term. As of December 31, 2020, the Company, GEA and PREANSA Peru did not comply with some of their financial covenants, the Company and its aforementioned subsidiaries obtained the waivers duly approved and

Notes to the consolidated financial statements (continued)

granted by the creditor banks, so that the breach of the covenants financial statements does not constitute "Default" or "Event of default", (as established in the respective loan agreements).

- (c) As of September 30, 2021 and December 31, 2020, interests payable related to bonds and long-term debt are amounted to approximately S/20,563,000 and S/18,261,000, respectively and are recorded in the caption "Trade and other payable", of the consolidated statement of financial position, note 10(a).

The interest generated by bonds and debt with medium and long-term banking entities maintained for the years ended September 30, 2021 and 2020, amounted to approximately S/ 131,649,000 and S/ 137,333,000, respectively and is included in the caption "Expenses financial statements" of the consolidated income statement.

- (d) As of September 30, 2021, the Company maintains bank loans in soles with effective annual interest rates in soles that fluctuate between 2.26 to 8.06 percent. Bank loans in dollars are at a variable rate plus a margin (3-month Libor and 1-month Libor plus a margin that fluctuates between 1.75 to 3.20 percent) and at a fixed rate between 1 to 12 percent.

As of December 31, 2020, the Group maintains bank loans in soles with effective annual interest rates in soles that fluctuate between 2.52 to 8.06 percent. Bank loans in dollars are at a variable rate plus a margin (3-month Libor and 1-month Libor plus a margin that fluctuates between 1.5 to 2.60 percent) and at a fixed rate between 1 to 12 percent.

12. Income tax

- (a) The following table presents the composition of the caption, in accordance with the difference:

	As of September 30, 2021 S/ (000)	As of December 31, 2020 S/ (000)
Deferred Assets -		
Opening Balance	358,170	310,095
Consolidated income statement impact	(3,842)	28,358
Charges to comprehensive income	(2,725)	2,017
Acquisition of Subsidiaries, see note 1.1.	3,654	-
Exchange rate impact	27,431	17,145
Others	-	555
Ending Balance	<u>382,688</u>	<u>358,170</u>
Deferred liabilities -		
Opening Balance	(775,928)	(807,864)
Consolidated income statement impact	27,494	40,275
Acquisition of Subsidiaries, see note 1.1.	(14,272)	-
Exchange rate impact	(14,488)	(8,339)
Ending Balance	<u>(777,194)</u>	<u>(775,928)</u>
Total net liability for deferred income tax	<u>(394,506)</u>	<u>(417,758)</u>

Notes to the consolidated financial statements (continued)

- (b) The expense of the provision for income tax is made up as follows:

	As of September 30, 2021	As of September 30, 2020
	S/ (000)	S/ (000)
Current	(184,240)	(64,576)
Deferred	23,652	51,761
Compensation for tax loss	9,818	3,801
Royalty Expenses	(2,911)	(535)
	<hr/>	<hr/>
Total	(153,681)	(9,549)
	<hr/>	<hr/>

13. Net Equity

- (a) Capital issued-

As of September 30, 2021 and December 31, 2020, the issued capital is represented by 1,818,127,611 fully subscribed and paid common shares, with a nominal value of S/ 1 per share. The common shares representing the Company's capital stock are traded on the Lima Stock Exchange.

The shareholding composition of the Company is as follows:

Shareholders	As of September 30, 2021	
	Number of shares	Percentage of participation %
Inversiones JRPR S.A.	456,669,897	25.12
Nuevas Inversiones S.A.	459,129,497	25.25
AFP's	437,746,637	24.08
Others	464,581,580	25.55
	<hr/>	<hr/>
	1,818,127,611	100.00
	<hr/>	<hr/>

As of September 30, 2021, the share price of each share has been S/1.46 (S/1.55 as of December 31, 2020).

- (b) Additional share-

Corresponds to the variation between the capital increase carried out by the merger of the Company with Sindicato de Inversiones y Administración S.A., Inversiones Andino S.A. and Inmobiliaria Pronto S.A. and registered equity.

- (c) Treasury shares -

At a Board meeting on August 20, 2021, a program to purchase its own shares was approved for up to S/ 34.6 million, not to exceed 2 percent of its own shares issued and within the term that expires on December 31 of 2021. The shares that are acquired will be kept in the portfolio for a maximum period of two years and as long as they remain in the portfolio, all their rights will be suspended. The program could be extended and / or modified by the Company's Board of Directors.

As of September 30, 2021, the Company holds 2,994,000 shares in treasury equivalent to S/ 4,226,000.

Notes to the consolidated financial statements (continued)

- (d) **Legal reserve -**
Under the terms of the General Corporation Law, it is required that at least 10 percent of the distributable profit for each year, less income tax, has to be transferred to a legal reserve until such reserve equals to 20 percent of the share capital. The legal reserve may offset any losses or may be capitalized, existing in both cases the obligation to replenish it. As of September 30, 2021, the legal reserve was capped at 20 percent of the issued capital.
- (e) **Unrealized results-**
Corresponds to changes in the fair value of hedging financial instruments and the reserve on financial assets measured at fair value, both net of their tax effect, see note 22.1 (f)(a).
- (f) **Results by translation -**
Mainly corresponds to the exchange difference resulting from the translation of the financial statements of foreign subsidiaries to the Group's presentation currency.

The effect on the consolidated statement of comprehensive income for the 2021 and 2020 periods attributable to controlling equity amounted to a gain of S/ 212,272,000 and S/ 125,255,000, respectively.

- (g) **Dividend distributions -**
The information on the dividends distributed as of September 30, 2021, and December 31, 2020 is presented below:

Dividends 2021:

Directors Board session date	Dividends declared and paid S/ (000)	Due date	Dividends per common share
February 24, 2021	23,636	30.03. 2021	0.013
April 23rd, 2021	23,636	12.05. 2021	0.013
June 21st, 2021	36,362	23.07. 2021	0.020
	83,634		

Dividends 2020:

Directors Board session date	Dividends declared and paid S/ (000)	Due date	Dividends per common share
January 1, 2020	23,636	04.03. 2020	0.013
	23,636		

The Board of Directors, in a session on April 4, 2020, as part of the preventive and extraordinary measures implemented due to the exceptional situation of the COVID-19 pandemic, agreed to suspend the quarterly distribution of dividends until conditions allow their resumption. Dividend payments resumed in the first quarter of 2021.

Notes to the consolidated financial statements (continued)

Likewise, during 2021, the subsidiary of UNACEM Ecuador, Entrepisos and Inveco distributed dividends to their non-controlling shareholders for approximately S/ 285,000, S/ 1,385,000, and S/ 2,103,000, respectively. During 2020, the subsidiary of UNACEM Ecuador distributed dividends to its non-controlling shareholders for approximately S/ 319,000.

As of September 30, 2021, the Group maintains a balance pending payment of dividends for approximately S/ 10,693,000 (S/ 11,668,000 as of December 31, 2020), see note 10 (a).

14. Net sales

This item is made up as follows as of September 30:

	2021	2020
	S/ (000)	S/ (000)
Segments		
Cement Sales	2,105,312	1,388,448
Concrete	1,374,680	896,555
Electrical energy and power	142,039	125,742
Other Services	13,606	10,343
	<u>3,635,637</u>	<u>2,421,088</u>
Time of revenue recognition		
Assets transferred at a point in time	3,406,692	2,242,363
Service performance at a point in time	228,945	178,725
	<u>3,635,637</u>	<u>2,421,088</u>

15. Cost of sales

This item is made up as follows as of September 30:

	2021	2020
	S/ (000)	S/ (000)
Ending balance of finished goods and work in process, note 5(a)	193,421	354,805
Cost of production:		
Consumption of raw material	551,051	353,527
Personnel expenses	447,613	351,515
Fuel	395,369	186,102
Depreciation, see note 7(f)	319,721	299,344
Maintenance cost	230,756	144,925
Electrical Energy	102,607	66,721
Container Consumption	78,979	53,714
Transport of raw material	60,498	32,718
Depreciation - Right in use, see note 6 (a)	8,790	6,165
Stripping costs (clearing)	8,160	3,032
Depreciation for stripping cost	5,136	1,878
Amortization, see note 8(a).	3,325	4,021
Other manufacturing expenses	385,097	288,021
Ending balance of finished goods and work in process, see note 5(a)	(208,382)	(277,340)
	<u>2,582,141</u>	<u>1,869,148</u>
Estimate for impairment of inventories, note 5 (a)	2,084	13,016
	<u>2,584,225</u>	<u>1,882,164</u>

Notes to the consolidated financial statements (continued)

16. Administrative expenses

This item is made up as follows as of September 30:

	2021 S/ (000)	2020 S/ (000)
Personnel expenses	117,810	93,752
Services rendered by third parties	47,683	32,491
Donations	16,408	8,392
Wide range of Load management	11,005	9,421
Depreciation, note 7(f)	10,716	8,814
Taxes	10,639	16,332
Amortization, see note 8(a).	2,536	2,094
Estimate for expected credit loss, see note 4 (a)	1,072	1,305
Depreciation - Right in use, see note 6 (a)	565	559
Others	7,980	4,238
	<u>226,414</u>	<u>177,398</u>

17. Other income

As of September 30, 2021, the Company received dividends from the related company Ferrocarril Central Andino S.A. for approximately S/ 18,879,000, see note 19 (a).

Likewise, as indicated in note 1.1 because of the acquisition of UNACEM Chile and MEL20, the Group has recognized a negative goodwill for approximately S/ 9,436,000.

18. Financial expenses

As of September 30, 2021, and 2020, this item is mainly comprised of interest on bonds issued and debts with banks for S/ 133,613,000 S/ 143,607,000, respectively (see note 11 (c) and 11.1 (c)).

19. Related parties' transactions

(a) The main transactions with related entities as of September 30, 2021, and 2020 were as follows:

	2021 S/ (000)	2020 S/ (000)
Income -		
Cement Sales -		
La Viga S.A.	366,687	256,549
Asociación UNACEM	110	77
Dividend Income -		
Ferrocarril Central Andino S.A.	18,879	-
Master Builders Solutions Peru S.A.	3,553	-
Costs and / or expenses -		
Purchase additives-		
Master Builders Solutions Peru S.A.	36,349	22,001

Notes to the consolidated financial statements (continued)

	2021 S/ (000)	2020 S/ (000)
Commissions and freight costs of cement sales -		
La Viga S.A.	21,441	14,904
Other expenses -		
Master Builders Solutions Peru S.A.	3,267	3,080
Other income -		
Master Builders Solutions Peru S.A.	1,080	1,078
La Viga S.A.	152	134
Asociación UNACEM	189	192

- (b) As a result of these and other minor transactions, as of September 30, 2021, and December 31, 2020, the Group had the following balances with its related entities:

	2021 S/ (000)	2020 S/ (000)
Account receivables, note 4(a)		
La Viga S.A.	34,518	29,428
Master Builders Solutions Peru S.A.	234	242
Other minors	978	941
	<u>35,730</u>	<u>30,611</u>
Account payables, note 10(a)		
Master Builders Solutions Peru S.A.	17,970	18,873
La Viga S.A.	3,219	3,849
Other minors	24	31
	<u>21,213</u>	<u>22,753</u>

- (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 received by the directors and key members of the Group's Management as of September 30, 2021, and 2020 amounted to approximately S/ 20,287,000 and S/ 14,081,000 respectively, which include short-term benefits and compensation by service time.

Notes to the consolidated financial statements (continued)

20. Earnings (loss) per share

Earnings (loss) per basic share is calculated by dividing the net income for the year by the weighted average number of common and investment shares outstanding during the year.

The calculation of the weighted average of shares and basic and diluted earnings (loss) per share is presented below:

	As of September 30, 2021	As of September 30, 2020
	S/ (000)	S/ (000)
Numerator		
Earnings (loss) attributable to common shares	<u>338,814</u>	<u>(12,400)</u>
	In thousands	In thousands
Denominator		
Average number of common shares outstanding	<u>1,818,128</u>	<u>1,818,128</u>
Net earnings (loss) per basic and diluted share (expressed in soles)	<u>0.186</u>	<u>(0.007)</u>

21. Commitments and contingencies

21.1 Financial and Purchase Commitments -

(a) As of September 30, 2021, the Company has the following guaranteed letters:

- Letter of guarantee in favor of the Ministry of Energy and Mines (MEM), issued by the Banco de Crédito del Perú, for a total of approximately US\$ 1,904,000, equivalent to S/ 7,875,000 due in January 2022, to guarantee compliance with the Mine Closure Plan for its mining concessions (US\$ 1,678,000 equivalent to S/ 6,071,000 maturing in January 2021 to December 31, 2020).
- Letter of guarantee in favor of the Ministry of Production, issued by the Banco de Crédito del Peru, for an approximate total of US\$ 4,456,000 equivalent to S/ 2,389,000 maturing in December 2021 and S/ 16,039,000 maturing in January 2022, to ensure compliance with the Mine Closure Plan of its mining concessions (US\$ 4,123,000 equivalent to S/ 14,917,000, expiring in January 2021 to December 31, 2020).
- Guarantee letters in favor of third parties for a total of S/ 2,740,000, maturing during the year 2021 for approximately S/ 1,547,000 and maturing during the year 2022 for approximately S/ 1,193,000.

(b) The subsidiaries maintain the following guaranteed letters:

- Guarantee letter issued by financial institutions negotiated by UNICON Perú and Concremax in order to ensure the supply of concrete to certain customers, as of September 30, 2021, for approximately S/ 123,081,000 (S/ 81,784,000 as of December 31, 2020).
- Guarantee letters issued by financial institutions negotiated by ENTREPISOS in order to guarantee the supply of slabs and precast to certain clients, as of September 30, 2021, for approximately S/ 2,533,000 (S/ 1,302,000 as of December 31, 2020).

Notes to the consolidated financial statements (continued)

- Guarantee letter negotiated by Deposito Aduanero Conchan with some financial institutions in order to ensure their obligations generated in the exercise of their functions as a bonded warehouse in accordance with the General Customs Law, its regulations and other applicable administrative provisions, as of for US\$ 200,000, approximately equivalent to S/. 414,000 (US\$ 200,000, equivalent to S/ 362,000 as of December 31, 2020).
 - Guarantee letter to Consorcio Transmantaro S.A. requested by CELEPSA for a total of US\$3,000,000, maturing in July 2022 issued by Scotiabank Peru to guarantee the contract for electric power transmission for facilities of the complementary transmission
 - On September 23, 2016, the bank Scotiabank Chile approved a credit line up to US\$4,000,000, in favor of PREANSA Chile, the same that is guarantee through of the letter of guarantee of PREANSA Perú issued by the Scotiabank Perú S.A.A. With a maturity date on September 2022.
 - On December 13, 2016, BBVA Colombia approved a credit line of up to US\$3,550,000 in favor of PREANSA Colombia, which is guaranteed through a letter of credit from PREANSA Peru issued by BBVA Banco Continental with a maturity date on January 2022.
 - As of September 30, 2021, the subsidiary Vigilancia Andina S.A. maintains letters of guarantee issued by financial institutions guaranteeing the payment of the salaries of personnel under labor intermediation to clients for S/ 2,661,000 (S/ 2,514,000 as of December 31, 2020).
- (c) Guarantees for the payment of financial obligations:
- Letter of credit for US\$ 40,447,000, dated November 18, 2010, and amended on November 10, 2020, executed between the Nova Scotia Bank US Operations (issuer) and the US Bank National Association (trustee), the latter entity dated November 1, November 2010 entered into a trust agreement with Yavapai County Industrial Development Authority (authority). Likewise, on November 10, 2020, the letter of credit was renewed for an additional 5 years, see note 11.1 (a.3).
 - Letter of credit for US\$ 75,838,000, dated July 30, 2015, executed between Drake Cement, LLC, Skanon Investments, Inc (guarantor) and the Nova Scotia bank, New York Agency (issuer) with the objective that the issuer carries out the direct payment of the credit on Drake's behalf to the US Bank National Association (trustee), which the latter entity entered into a trust agreement with the Yavapai County Industrial Development Authority (authority). On June 1, 2020, the letter of credit was renewed for an additional 5 years, see note 11.1 (a.3).
- (d) Compensation agreement
- The SKANON subsidiary establishes compensation provisions under its agreements with other companies in the normal course of its operations, generally with business partners, customers, property owners, lenders and lessors. Under such provisions, SKANON generally indemnifies and exempts for losses suffered or incurred by the indemnified party as a result of its activities or, in some cases, as a result of the activities of the indemnified party under the agreement. The maximum potential for future payments that SKANON could make under these compensation provisions is unlimited. SKANON has not incurred material costs to defend claims or resolve claims related to these compensation agreements. As a result, SKANON considers that the estimated fair value of these agreements is minimal. As a result, the Group's Management has no liabilities recorded for these agreements as of September 30, 2021, and December 31, 2020.

Notes to the consolidated financial statements (continued)

(e) Purchase option

In accordance with the Drake Cement third addendum of the operating agreement (Restated Limited Liability Company Operating Agreement) on September 1, 2007, SKANON has the option to purchase the minority interest in Drake Cement. As of January 1, 2009, SKANON has the option, but not the obligation, to purchase the minority shareholders' interest at any time at fair value. The fair value will be determined by mutual agreement of the members in the general meeting of shareholders. As of September 30, 2021, and December 31, 2020, Drake Cement has not exercised this option.

21.2 Tax situation-

- (a) The companies comprising the Group are subject to the tax regime of the country in which they operate and are taxed separately based on its non-consolidated results.

As of September 30, 2021, and December 31, 2020, the income tax rate on taxable income in the main countries that operate the Company, and its Subsidiaries is:

	Tax rates	
	2021	2020
	%	%
Peru	29.5	29.5
Ecuador	25.0	25.0
United State of America (*)	21.0 and 4.9	21.0 and 4.9
Chile	27.0	27.0
Colombia (**)	31.0	32.0

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

(**) For companies domiciled in Colombia, in accordance with Law No. 2010 and No. 1943, the following changes are presented as of 2019:

- The income tax rate and complementary as follows: 2019 period, 33 percent rate; 2020 period, 32 percent rate; period 2021, 31 percent rate and since period 2022 and following a rate of 30 percent.

This tax rules related to the income tax are the same as those described in the notes to the annual consolidated financial statements as of December 31, 2020.

- (b) The Tax Authority in each country has the right to review and if necessary, adjust the corresponding income tax calculated by the Company and its subsidiaries in the four years after the filing of the tax return. The affidavits of income tax are open to inspection by the Tax Authority as follows:

	Periods open to review
In Peru -	
Unión Andina de Cementos S.A.A.	2013 and 2016 to 2020
Compañía Eléctrica El Platanal S.A.	2016-2020
Celepsa Renovables S.R.L.	2016-2020
Generación Eléctrica Atocongo S.A.	2016-2020
Unión de Concreteras S.A.	2015-2020
CONCREMAX S.A.	2016-2020

Notes to the consolidated financial statements (continued)

	Periods open to review
Inversiones en Concreto y Afines S.A.	2016-2020
Prefabricados Andinos Perú S.A.C.	2016-2020
Transportes Lurín S.A.	2016-2020
Depósito Aduanero Conchán S.A.	2016-2020
Inversiones Imbabura S.A.	2016-2020
Inversiones Nacionales y Multinacionales Andinas S.A.	2016-2020
ARPL tecnología Industrial S.A.	2016-2020
Vigilancia Andina S.A.A.	2016-2020
In Ecuador -	
UNACEM Ecuador S.A.	2017-2020
Union de Concreteras UNICON UCUE Cia. Ltda.	2018-2020
In Chile -	
Prefabricados Andinos S.A.	2016-2020
Unicon Chile S.A.	2018-2020
Cementos La Unión S.A.	2018-2020
Inversiones MEL20 Limitada	2018-2020
In Colombia -	
Prefabricados Andinos Colombia S.A.S.	2015-2020
In United State of America	
	2016-2019

Due to the interpretations likely to be given by the Tax Authority on current legal regulations, it is not possible to determine, as of this date, whether the reviews to be conducted will result in liabilities for the Company and its subsidiaries; therefore, any increased tax or surcharge that could arise from possible tax reviews will be applied to the results of the year in which it is determined. In the Management's Group and its legal advisors' opinion, any additional tax settlement would not be significant for the consolidated financial statements as of September 30, 2021, and December 31, 2020.

(c) Also, the tax loss carries forward of subsidiaries as of September 30, 2021 and December 31, 2020 are as follows:

	2021	2020
	S/ (000)	S/ (000)
Skanon Investments Inc. and Subsidiaries (i)	2,202,711	1,928,705
Compañía Eléctrica El Platanal S.A. and Subsidiaries (ii)	287,274	304,541
Prefabricados Andinos S.A. - PREANSA Chile(ii)	46,747	46,390
Prefabricados Andinos Perú S.A.C. (ii)	16,160	13,044
Unicon Chile S.A. (iii)	15,791	11,816
Prefabricados Andinos Colombia S.A.S (iii)	10,449	8,406
Inversiones Imbabura S.A. (ii)	2,982	-
Depósito Aduanero Conchán S.A. (ii)	1,772	2,005

Notes to the consolidated financial statements (continued)

	2021 S/ (000)	2020 S/ (000)
Transportes Lurín S.A. (ii)	485	469
Unión de Concreteras S.A. and Concremax S.A. (ii)	-	13,665
Other minor Peruvian subsidiaries(ii)	422	375

- (i) The accumulated federal and state carryforward tax losses of the subsidiaries in the United States of America amount to approximately US\$ 288,056,000 and US\$ 245,030,000, respectively (equivalent to approximately S/ 1,190,247,000 and S/ 1,012,464,000, respectively).
- (ii) 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.
- (iii) The tax loss carryforward of subsidiaries in Chile and Colombia will be offset against future profits of the subsidiaries in accordance with state and federal tax requirements related.

21.3 Contingencies -

In the normal course of business, the Company and its subsidiaries have received several tax, legal (labor and management) and regulatory complaints, which are recorded and disclosed in accordance with International Financial Reporting Standards.

Peru -

As a result of the audits of previous years, the Company has been notified by the Superintendency of Tax Administration (SUNAT) with various resolutions for alleged omissions of income tax. In some cases, the Company and its subsidiaries have filed claims appeals before higher instances for not finding that said resolutions are in accordance with the law and in others, they proceeded to pay the assessments received under protest. These tax processes are related to:

UNACEM

- Income tax for the years 2000, 2001, 2004 and 2005
- Penalty Income tax for the year 2013
- Interest penalties for payments on account for the year 2014 -
- Contribution to the mining, metallurgical and steel retirement compensation fund for 2013 and 2015
- Mining Royalties, from former Cementos Lima, years 2008 and 2009
- Mining Royalties, from former Cemento Andino, year 2008

CONCREMAX

- Income tax for the 2012 financial year

As of September 30, 2021, and December 31, 2020, the Group maintains receivables related to said tax processes, see note 4 (a), because, in the opinion of the Group's Management and its legal advisors, there are reasonable arguments to obtain a result favorable to the interests of the Group.

21.4 Environmental commitments -

The activities of the Group are subject to environmental protection standards. This tax rules are the same as those described in the notes to the annual consolidated financial statements as of December 31, 2020.

Notes to the consolidated financial statements (continued)

22. Financial risk management, objectives and policies

The Group's main financial liabilities, in addition to derivative financial instruments, include other financial liabilities and trade and other accounts payable. The main purpose of these financial liabilities is to obtain financing for the Group's operations. The Group also carries out transactions with derivative financial instruments. The Group also carries out transactions with derivative financial instruments.

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

The Group's Senior Management oversees the management of these risks. The Group's Senior Management is supported by the Financial Management that advises on financial risks and the appropriate financial risk governance framework for the Group. Financial Management provides assurance to the Group's senior executives that the Group's financial risk-taking activities are regulated by appropriate corporate policies and procedures and that financial risks are identified, measured and managed in accordance with these corporate policies and Group preferences when taking risks. All activities with financial derivative instruments related to risk management are left to teams of specialists with adequate capacities, experience, and supervision.

The Group Management reviews and agrees on the policies for the management of each of these risks, which are summarized in the following sections:

22.1 Market risk -

The sensitivity analyses shown in the following sections relate to the consolidated financial situation as of September 30, 2021, and December 31, 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rate of the debt and the proportion of financial instruments in foreign currencies are all constant as of September 30, 2021 and December 31, 2021.

(i) Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure of the Group to the interest rate risk is related mainly to the long-term debt with variable interest rates.

(a) Derivative Financial instruments from hedge -

The Group has contracts interest rate swap designated as cash flow hedges and are recorded at their fair value. The details of these operations are as follows:

Counterparty	Reference value	Maturity rate	Receive variable to:	Payments Fix to:	Fair value	
					As of September 30, 2021	As of December 31, 2020
	US\$(000)				S/(000)	S/(000)
Assets-						
Banco de Crédito e Inversiones (BCI) (*)	-	November, 2027	6.78	3.377%	213	-
					213	-

Notes to the consolidated financial statements (continued)

Counterparty	Reference value	Maturity rate	Receive variable to:	Payments Fix to:	Fair value	
					As of September 30, 2021	As of December 31, 2020
					S/(000)	S/(000)
Liabilities -						
	US\$(000)					
Citibank N.A.	50,000	October 2025	Libor to 3 months + 1.75%	5.70%	17,212	21,488
Santander S.A.	45,000	November 2023	Libor to 3 months + 1.85%	5.03%	11,768	14,575
Bank of Nova Scotia	30,000	September 2025	Libor to 3 months + 2.60%	5.66%	5,288	7,272
Banco Scotiabank (Chile)	1,883	March 2022	Libor to 1 months + 1.94%	5.40%	1,583	1,568
Banco Scotiabank (Chile)	3,355	October 2023	Libor to 1 months + 1.85%	5.55%	374	369
Banco Scotiabank (Chile)	4,000	August 2022	Libor to 3 months + 1.1%	4.75%	342	191
Banco de Crédito e Inversiones (BCI) (*)	-	November 2027	6.78	3.377%	-	364
					36,567	45,827

(*) Corresponds to the same derivative.

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, 2021, and December 31, 2020, the Group recognized under the heading "Unrealized results" of the consolidated statement of changes in equity.

Financial instruments are intended to reduce exposure to interest rate risk variable associated with the financial obligations set out in note 11.1(a). These financings bear interest at a variable rate equal to Libor rate to 3 months and Libor rate to 1 month.

The Group pays or receives on a quarterly or monthly basis (on each interest payment date of the loan) the difference between the Libor rate on the loan market in that period and the fixed rate agreed upon in the contract coverage. Flows actually received or paid by the Company are recognized as a correction of the financial cost of the loan period for the hedged loans.

As of September 30, 2021 and 2020 the Group recognized an expense on these derivative financial instruments amounting to approximately S/.11,986,000 and S/.8,389,000 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) Foreign currency risk -

The result of maintaining balances in foreign currency for the Group for the periods ended September 30, 2021 and 2020 was a net loss of approximately S/ 73,452,000 and S/ 58,939,000, respectively, which are presented in the caption "Difference in change, net" of the consolidated statement of income.

Notes to the consolidated financial statements (continued)

As of September 30, 2021, and December 31, 2020, the Group has “Cross Currency Interest Rate Swap” amounting to S/. 9,414,000 and S/ 2,971,000 in favor of the bank, respectively, and hedging of risks associated with exchange rate fluctuations. These instruments were designated as held for trading.

As of September 30, 2021, and 2020, variations in fair value are recognized as an expense or income. As of September 30, 2021, and 2020, the effect corresponds to an expense of approximately S/ 6,443,000 and S/ 2,622,000, respectively, and is presented as part of the “Financial expenses” caption of the consolidated income statement.

Likewise, as of September 30, 2021, and 2020, a financial expense and income was recognized for derivative financial instruments that amounts to approximately S/ 650,000 and S/ 33,000, respectively, whose amounts have been effectively paid during the year and are presented as part of the caption “Financial expenses” and “Financial income”, net of the consolidated statement of income.

Foreign currency transactions -

Foreign currency transactions made at free market exchange rates published by the Superintendence of Banks, Insurance and Private Funds Peru Managers. As of September 30, 2021, the weighted average exchange rates of the free market for transactions in U.S. Dollars were S/ .4.132 for buying and S/ .4.136 for selling (S/ .3.618 for buying and S/ .3.624 for selling as of December 31, 2020), respectively.

As of September 30, 2021, and December 31, 2020, the Group had the following assets and liabilities in US dollars:

	2021		2020	
	US\$(000)	Equivalent S/ (000)	US\$(000)	Equivalent S/ (000)
Asset				
Cash and cash equivalents	26,403	109,100	26,651	96,423
Trade and other payables	79,326	327,772	84,749	306,621
	<u>105,729</u>	<u>436,872</u>	<u>111,400</u>	<u>403,044</u>
Liabilities				
Other financial liabilities	(199,806)	(826,397)	(261,841)	(948,912)
Trade and other payables	(48,547)	(200,798)	(39,871)	(144,493)
	<u>(248,353)</u>	<u>(1,027,195)</u>	<u>(301,712)</u>	<u>(1,093,405)</u>
Derivative financial instrument in foreign currency	(2,276)	(9,414)	(820)	(2,972)
Net liability position	<u>(144,900)</u>	<u>(599,737)</u>	<u>(191,132)</u>	<u>(693,333)</u>

Foreign currency sensitivity-

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).

Notes to the consolidated financial statements (continued)

Change in US Dollars rate In American Dollars	Impact on profit before income tax	
	As of September 30, 2021 S/ (000)	As of September 30, 2020 S/ (000)
%		
+5	(29,986)	(47,780)
+10	(59,973)	(95,560)
-5	29,986	47,780
-10	59,973	95,560

22.2 Credit risk –

As of September 30, 2021, no significant impact on the Company's credit behavior has been identified as a consequence of the economic crisis generated by the Covid-19 pandemic. The Group's Management will continue to evaluate its exposure to credit risk, considering the impacts of said pandemic on the economies of the countries in which the Company and subsidiaries operate and the actions that each Government may take.

22.3 Liquidity risk –

As of September 30, 2021, in Management's opinion, the Group has sufficient financial strength to meet its short-term obligations in case the governments in which the Group operates extend the state of national and health emergency, considering that we have S/ 595,651,000 of cash and cash equivalents that are freely available and available overdraft lines of credit.

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

	As of September 30, 2021			
	From 1 to 12 months S/ (000)	From 2 to 3 years S/ (000)	From 4 to more years S/ (000)	Total S/ (000)
Trade and other payables (*)	704,766	17,209	23,669	745,644
Other financial liabilities				
Amortization of capital	706,433	1,462,204	2,016,440	4,185,077
Flow of interest payments	169,907	307,274	296,939	774,120
Lease liabilities				
Amortization of capital	9,057	8,192	6,161	23,410
Flow of interest payments	598	1,084	5,636	7,318
Total liabilities	1,590,761	1,795,963	2,348,845	5,735,569

Notes to the consolidated financial statements (continued)

	As of December 31, 2020			
	From 1 to 12	From 2 to 3 years	From 4 to more	Total
	months	years	years	
	S/ (000)	S/ (000)	S/ (000)	S/ (000)
Trade and other payables (*)	587,116	26,080	16,468	629,664
Other financial liabilities				
Amortization of capital	1,110,123	1,574,021	1,771,611	4,455,755
Flow of interest payments	190,705	303,209	270,875	764,789
Lease liabilities				
Amortization of capital	9,873	10,398	2,707	22,978
Flow of interest payments	924	1,004	2,034	3,962
Total liabilities	1,898,741	1,914,712	2,063,695	5,877,148

(*) As of September 30, 2021, and December 31, 2020, it does not include customer advances, taxes, contributions and labor contributions and general sales tax for approximately S/ 86,075,000 and S/ 61,756,000, respectively.

22.4 Capital management-

No changes were made in the objectives, policies or processes for managing capital during the years ended on September 30, 2021, and December 31, 2020.

23. Fair values

(a) Financial instruments measured at fair value and fair value hierarchy-

The following chart shows an analysis of the financial instruments that are measured at fair value at the reporting date, including the hierarchy level of their fair value. The amounts are based on balances presented in the consolidated statement of financial position:

	As of September 30, 2021 S/ (000)	As of Thursday, December 31, 2020 S/ (000)
Financial assets -		
Derivative financial instruments:		
Level 2	213	-
Total, assets, note 22.1(f) and	213	-
Financial liabilities:		
Derivative financial instruments:		
Level 2	45,981	48,798
Total, liabilities, note 22.1(f) and (l)	45,981	48,798

Notes to the consolidated financial statements (continued)

(b) Financial instruments not measured at fair value -

Other financial instruments are carried at amortized cost and their estimated fair value. The level of the fair value hierarchy is described as follows:

Level 1 -

- Cash and cash equivalents do not represent a credit risk or a significant interest rate; therefore, their carrying amounts are close to their fair value.
- Accounts receivable because they are net of provision for loan losses and primarily have maturities of less than three months, and Management has seen its fair value is not materially different from its carrying value.
- Trade and other payables, due to its current maturity Management estimates that its accounting balances approximate its fair value.

Level 2 -

- Other financial liabilities have been determined by comparing the fair value market interest rates at the time of initial recognition with current market rates offered for similar financial instruments. The following is a comparison between the carrying value and the fair value of these financial instruments.

	As of September 30, 2021		As of December 31, 2020	
	Carrying value S/(000)	Fair value S/(000)	Carrying value S/(000)	Fair value S/(000)
Other financial liabilities (*)	4,030,447	3,559,168	4,025,037	3,866,411

(*) As of September 30, 2021, and December 31, 2020, the amount outstanding does not include promissory notes and bank overdraft, see note 11.1 (a).

24. Segment information

For management purposes, the Group is organized into business units based on their products and activities and have three main reportable segments as follows:

- Manufacture and sale of cement.
- Manufacture and sale of concrete.
- Generation and sale of electrical energy generated using hydraulic resources.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating profit of each business unit separately for purposes of making decisions about resources allocation and performance assessment.

Segment performance is evaluated based on gain or loss operating and is measured consistently with gain or loss operating in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the consolidated financial statements (continued)

Following is financial information by business segment, net of eliminations:

	As of September 30, 2021							As of September 30, 2020						
	Cement S/ (000)	Concrete S/ (000)	Electrical Energy S/ (000)	Others S/ (000)	Total Segments S/ (000)	Adjustments elimination S/ (000)	Consolidated S/ (000)	Cement S/ (000)	Concrete S/ (000)	Electrical Energy S/ (000)	Others S/ (000)	Total segments S/ (000)	Adjustments elimination S/ (000)	Consolidated S/ (000)
Income														
Third-party customers	2,105,312	1,374,680	142,039	13,606	3,635,637	-	3,635,637	1,388,448	896,555	125,742	10,343	2,421,088	-	2,421,088
Inter segments	175,636	105,645	90,344	51,860	423,485	(423,485)	-	108,153	58,343	40,310	45,435	252,241	(252,241)	-
Total revenues	<u>2,280,948</u>	<u>1,480,325</u>	<u>232,383</u>	<u>65,466</u>	<u>4,059,122</u>	<u>(423,485)</u>	<u>3,635,637</u>	<u>1,496,601</u>	<u>954,898</u>	<u>166,052</u>	<u>55,778</u>	<u>2,673,329</u>	<u>(252,241)</u>	<u>2,421,088</u>
Gross profit	<u>768,510</u>	<u>164,433</u>	<u>92,851</u>	<u>19,241</u>	<u>1,045,035</u>	<u>6,377</u>	<u>1,051,412</u>	<u>386,883</u>	<u>82,680</u>	<u>51,359</u>	<u>12,292</u>	<u>533,214</u>	<u>5,710</u>	<u>538,924</u>
Operating Income (expenses)														
Administrative expenses	(174,906)	(50,642)	(11,659)	(13,884)	(251,091)	24,677	(226,414)	(127,569)	(38,875)	(11,100)	(15,020)	(192,564)	15,166	(177,398)
Selling expenses	(53,809)	(20,920)	(3,670)	-	(78,399)	-	(78,399)	(42,953)	(17,024)	(2,196)	-	(62,173)	194	(61,979)
Other operating income (expenses), net	93,591	9,712	(241)	(17,852)	85,210	(57,713)	27,497	(20,649)	(4,895)	1,373	555	(23,616)	(28,514)	(52,130)
Operating profit	<u>633,386</u>	<u>102,583</u>	<u>77,281</u>	<u>(12,495)</u>	<u>800,755</u>	<u>(26,659)</u>	<u>774,096</u>	<u>195,712</u>	<u>21,886</u>	<u>39,436</u>	<u>(2,173)</u>	<u>254,861</u>	<u>(7,444)</u>	<u>247,417</u>
Other Income (expenses)														
Participation in net income of associates and joint business	-	4,411	(11)	-	4,400	1,537	5,937	-	941	(65)	-	876	21	897
Financial Income	21,902	(3,897)	38	(1,487)	16,556	(2,915)	13,641	5,322	1,835	71	1,179	8,407	(1,571)	6,836
Financial expenses	(135,991)	(16,817)	(15,873)	(7,975)	(176,656)	2,915	(173,741)	(135,466)	(21,642)	(17,036)	(5,687)	(179,831)	1,571	(178,260)
Exchange difference, net	(74,559)	22,258	(23,868)	2,717	(73,452)	-	(73,452)	(44,971)	660	(18,241)	3,613	(58,939)	-	(58,939)
Income before income tax	<u>444,738</u>	<u>108,538</u>	<u>37,567</u>	<u>(19,240)</u>	<u>571,603</u>	<u>(25,122)</u>	<u>546,481</u>	<u>20,597</u>	<u>3,680</u>	<u>4,165</u>	<u>(3,068)</u>	<u>25,374</u>	<u>(7,423)</u>	<u>17,951</u>
Income tax	(123,781)	(6,629)	(15,849)	(7,422)	(153,681)	-	(153,681)	(11,269)	7,234	(4,372)	(1,142)	(9,549)	-	(9,549)
Net Income for segment	<u>320,957</u>	<u>101,909</u>	<u>21,718</u>	<u>(26,662)</u>	<u>417,922</u>	<u>(25,122)</u>	<u>392,800</u>	<u>9,328</u>	<u>10,914</u>	<u>(207)</u>	<u>(4,210)</u>	<u>15,825</u>	<u>(7,423)</u>	<u>8,402</u>
Income before tax for segment	<u>558,827</u>	<u>124,841</u>	<u>53,413</u>	<u>(11,315)</u>	<u>725,766</u>	<u>(179,285)</u>	<u>546,481</u>	<u>150,741</u>	<u>22,546</u>	<u>21,195</u>	<u>1,419</u>	<u>195,901</u>	<u>(177,950)</u>	<u>17,951</u>
	As of September 30, 2021							As of Thursday, December 31, 2020						
	Cement	Concrete	Electrical Energy	Others	Total Segments	Adjustments elimination	Consolidated	Cement	Concrete	Electrical Energy	Others	Total segments	Adjustments elimination	Consolidated
Operating assets	<u>8,055,195</u>	<u>1,583,911</u>	<u>1,196,701</u>	<u>238,001</u>	<u>11,073,808</u>	<u>226,711</u>	<u>11,300,519</u>	<u>7,823,831</u>	<u>1,338,857</u>	<u>1,227,212</u>	<u>235,341</u>	<u>10,625,241</u>	<u>191,646</u>	<u>10,816,887</u>
Operating liabilities	<u>284,899</u>	<u>663,592</u>	<u>120,161</u>	<u>24,710</u>	<u>1,093,362</u>	<u>4,835,515</u>	<u>5,928,877</u>	<u>246,745</u>	<u>490,649</u>	<u>107,721</u>	<u>18,596</u>	<u>863,711</u>	<u>5,100,886</u>	<u>5,964,597</u>

Notes to the consolidated financial statements (continued)

Eliminations and Reconciliation -

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

Current and deferred taxes and certain financial assets and liabilities to the segments are not charged as also administered at centralized level.

A reconciliation of the effective rate of income tax as of September 30, 2021, and 2020 is as follows:

	2021 S/(000)	2020 S/(000)
Reconciliation of income -		
Income before tax for segment before adjustment and eliminations	725,766	195,901
Financial Income	13,641	6,836
Financial expenses	(173,741)	(178,260)
Participation in net income of associates and joint business	5,937	897
Inter segments	(25,122)	(7,423)
Income before tax for segment	<u>546,481</u>	<u>17,951</u>

The reconciliation of operating assets and liabilities as of September 30, 2021, and December 31, 2020 is as follows:

	2021 S/(000)	2020 S/(000)
Reconciliation of assets -		
Segment operating assets	11,073,808	10,625,241
Deferred income tax asset	207,112	177,328
Other assets	19,599	14,318
Operating assets of the Group	<u>11,300,519</u>	<u>10,816,887</u>
Reconciliation of liabilities -		
Segment operating liabilities	1,093,362	863,711
Other financial liabilities	4,185,077	4,455,755
Trade payables to Directors	2,839	1,247
Deferred income tax liability	601,618	595,086
Derivative financial instruments	45,981	48,798
Operating liabilities of the Group	<u>5,928,877</u>	<u>5,964,597</u>

Notes to the consolidated financial statements (continued)

Geographic information –

The income information contained above is based on customer location.

Income by location as of September 30, 2021, and 2020 is as follows:

	2021 S/ (000)	2020 S/ (000)
Income of customers		
Peru	2,382,396	1,494,055
United State of America	502,119	476,517
Ecuador	475,790	293,386
Chile	259,812	150,354
Colombia	15,520	6,776
Total income according to the consolidated statements of income	<u>3,635,637</u>	<u>2,421,088</u>

Total non-current assets by location as of September 30, 2021 and December 31, 2020 is as follows:

	2021 S/(000)	2020 S/(000)
Non-current assets:		
Peru	6,419,554	6,673,382
United State of America	1,683,041	1,450,122
Ecuador	904,022	812,132
Chile	311,915	109,866
Colombia	31,976	32,093
Non- current assets according to the financial statement	<u>9,350,508</u>	<u>9,077,595</u>

25. Subsequent events

No significant events of a financial-accounting nature have been identified after September 30, 2021, that may affect the interpretation of these separate financial statements.