

UNACEM Corp S.A.A.

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



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

	Notes	As of September 30th, 2023	As of December 31st, 2022
Assets			
Current Assets			
Cash and cash equivalents	4	5,775	6,426
Other Financial Assets		-	-
Trade Accounts Receivable and other accounts receivable		227,234	163,796
Trade Accounts Receivable , net	5	589	638
Other Accounts Receivable , net	5	19,012	20,414
Accounts Receivable from Related Companies	5	207,589	142,535
Advanced payments	5	44	209
Inventories		-	-
Biological Assets		-	-
Assets by Income Taxes	5	12,166	14,092
Other Non-Financial Assets		7,290	2,270
Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners		252,465	186,584
Non-current assets or groups of assets for disposal Classified as Held for Sale		-	-
Non-current assets or groups of assets for its classified as held for distribution to owners		-	-
Non-current assets or groups of assets for disposal Classified as Held for Sale or Held for distribution to owners		-	-
Total Current Assets		252,465	186,584
Non-Current Assets			
Other Financial Assets		-	-
Investments in subsidiaries, joint ventures and associates	6	6,129,850	6,074,006
Trade Accounts Receivables and other accounts receivables	5	97,143	97,143
Trade Accounts Receivable		-	-
Other Accounts Receivable		72,088	72,088
Accounts Receivable from Related companies		25,055	25,055
Advanced payments		-	-
Biological Assets		-	-
Investment Property		-	-
Property, Plant and Equipment , net	7	144	62
Intangible Assets , net	8	20,207	20,939
Assets Deferred Income Tax	11	12,263	11,310
Surplus value		-	-
Other Assets		-	-
Total Non-current Assets		6,259,607	6,203,460
TOTAL ASSETS		6,512,072	6,390,044

	Notes	As of September 30th, 2023	As of December 31st, 2022
Liabilities and Stocholders' Equity			
Current Liabilities			
Other Financial Liabilities	10	306,625	140,057
Trade accounts payable and other payable accounts		155,737	48,852
Trade Accounts Payable	9	9,563	4,583
Other Accounts Payable	9	44,050	35,435
Accounts payable to related companies	9	102,124	8,834
Diferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		750	550
Income Tax Liabilities		-	-
Other non-financial liabilities		-	-
Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale		463,112	189,459
Liabilities included in asset groups classified as held for sale		-	-
Total Current Liabilities		463,112	189,459
Non-Current Liabilities			
Other Financial Liabilities	10	771,057	950,047
Trade accounts payable and other payable accounts		2,897	1,587
Trade Accounts Payable		-	-
Other Accounts Payable	9	2,897	1,587
Accounts payable to related companies		-	-
Deferred Income		-	-
Provision for Employee Benefits		-	-
Other provisions		-	-
Liabilities Deferred Income Taxes		-	-
Other non-financial liabilities		-	-
Total Non-Current Liabilities		773,954	951,634
Total Liabilities		1,237,066	1,141,093
Stockholders' Equity			
Capital Issued	12	1,818,128	1,818,128
Issuance Premiums	12	-76,147	-38,019
Investment shares		-	-
Treasury Shares in portfolio	12	-11,106	-23,530
Other Capital Reserves	12	363,626	363,626
Accrued Results	12	3,180,505	3,128,746
Other Equity Reserves		-	-
Total Stockholders' Equity		5,275,006	5,248,951
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		6,512,072	6,390,044



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

	Notes	For the specific quarter from July 1, to September 30th, 2023	For the specific quarter from July 1, to September 30th, 2022	For the cummulative period from January 1st to September 30th, 2023	For the cummulative period from January 1st to September 30th, 2022
Incomes from ordinary activities	13	81,018	77,708	289,934	333,342
Cost of Sales	-	-	-	-	-
Profit (Loss) Gross	-	81,018	77,708	289,934	333,342
Sales Expenses	-	-	-	-	-
Administrative expenses	14	-22,134	-12,169	-64,123	-39,786
Profit (Loss) in the write-off of financial assets carried at amortized cost	-	-	-	-	-
Other Operating Income	-	3,999	2,623	5,241	4,171
Other Operating Expenses	-	-135	-	-2,147	-1,984
Other profit (loss)	-	-	-	-	-
Profit (Loss) from operating activities		62,748	68,162	228,905	295,743
Financial Income	-	3,256	566	7,819	1,458
Financial Expenses	15	-14,703	-13,734	-41,378	-41,790
Exchange differences, net	-	2,287	125	110	-1,486
Other income (expense) from subsidiaries, joint ventures and associates	-	-	-	-	-
Share of Profit (Loss) in net results from Equity-Accounted Joint Ventures and related companies	-	-	-	-	-
Difference between the book value of the distributed assets and the book value of the divided payable	-	-	-	-	-
Gains before Income tax		53,588	55,119	195,456	253,925
Income tax expenses	11(b)	758	-8,810	-8,606	-27,159
Profit (Loss) Net of Continued Operations		54,346	46,309	186,850	226,766
Profit (loss) net of the tax to the profit from discontinued operations	-	-	-	-	-
Profit (loss) net of the year		54,346	46,309	186,850	226,766



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

Notes	For the specific quarter from July 1, to September 30th, 2023	For the specific quarter from July 1, to September 30th, 2022	For the cumulative period from January 1st to September 30th, 2023	For the cumulative period from January 1st to September 30th, 2022
Net Profit (Loss) of the year	54,346	46,309	186,850	226,766
Components of other comprehensive income:				
Net Change for Cash Flow Hedges	-	-	-	-
Hedges of a Net Investment in a Foreign Operation	-	-	-	-
Profit (Loss) in equity instrument investments at fair value	-	-	-	-
Exchange difference on translation of Foreign Operations	-	-	-	-
Net variation of non-current assets or groups of assets held for sale	-	-	-	-
Revaluation Surplus	-	-	-	-
Actuarial Gain (Loss) on defined benefit pension plans	-	-	-	-
Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability	-	-	-	-
Other Comprehensive Income Pre Tax	-	-	-	-
Income tax relating to components of other comprehensive income				
Net Change for Cash Flow Hedges	-	-	-	-
Hedges of a Net Investment in a Foreign Operation	-	-	-	-
Profit (Loss) in equity instrument investments at fair value	-	-	-	-
Exchange difference on translation of Foreign Operations	-	-	-	-
Net variation of non-current assets or groups of assets held for sale	-	-	-	-
Gains (Losses) for Financial Assets Measured at Fair Value with Changes in Other Comprehensive Income, net of Taxes	-	-	-	-
Actuarial Gain (Loss) on defined benefit pension plans	-	-	-	-
Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability	-	-	-	-
Sum of Income Tax-Related Components of other comprehensive income	-	-	-	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period , net of income tax	54,346	46,309	186,850	226,766



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

	Notes	As of January 1st, 2023 to September 30th, 2023	As of January 1st, 2022 to September 30th, 2022
Operating activities cash flows			
Types of cash collections from operating activities			
Sale of Goods and Services		39,449	187,163
Royalties, fees, commissions and other income from ordinary activities		153,944	112,480
Contracts held for brokering or trading purposes		-	-
Lease and subsequent sales of such assets		-	-
Other Cash Receipts Related to Operating Activity		13,515	175
Types of cash collections from operating activities			
Suppliers of goods and services		-48,526	-249,908
Contracts held for brokering or trading purposes		-	-
cash payments to and on behalf of employees		-19,338	-51,410
Elaboration or acquisition of assets to be leased and other assets held for sale		-	-
Other Cash Payments Related to Operating Activity		-	-
Cash flows and cash equivalents from (used in) Operating Activities		139,044	-1,500
Interests received (not included in the Investment Activities)		-	-
Interests paid (not included in the Investment Activities)		-38,737	-46,989
Dividends Received (not included in the Investment Activities)		176,242	267,025
Dividends Paid (not included in the Investment Activities)		-	-
Income tax (paid) reimbursed		-11,991	-98,348
Other cash collections (payments)		-	-
Cash flows and cash equivalents from (used in) Operating Activities		264,558	120,188
Cash flows from Investment activities			
Type of cash collections from investment activities			
Reimbursement of loan repayment and loans granted to third parties		-	-
Loss of control of subsidiaries or other businesses		-	-
Loan repayments received from related parties		-	-
Sale of Equity-related Financial Instruments or debt of other entities		-	-
Derivatives contracts (Futures, Forwards or Options)		-	-
Sales of Interest in Joint Ventures, Net of the expropriated cash		-	-
Sale of Property, Plant and Equipment		-	-
Sale of intangible assets		-	-
Sale of other long- term assets		-	-
Government Subventions		-	-
Interests received		-	-
Dividends received		-	-
Type of cash payments from investment activities			
Advances and loans granted to third parties		-	-
Controlling interest of subsidiaries and other businesses		-	-
Loans from related		-123,486	-
Purchase of Financial Instruments of equity or debt of other entities		-55,844	-12,500
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		-115	-



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

	Notes	As of January 1st, 2023 to September 30th, 2023	As of January 1st, 2022 to September 30th, 2022
Purchase of intangible assets		-1,114	-296
Purchase of other long- term assets		-	-
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to Investment activities		-	-
Cash flows and cash equivalents from (used in) investing activities		-180,559	-12,796
Cash flows from Financing activities			
Type of cash collections from financing activities			
Loan securing		94,025	60,000
Loans from related entities		89,245	46,260
Changes to the subsidiaries ownership interest not resulting in the loss of control		-	-
Issuance of Shares		-	-
Issuance of Other Equity Instruments		-	-
Government Subventions		-	-
Type of cash payments from financing activities		-	-
Loan Amortization or payment		-107,918	-60,000
Financial leasing liabilities		-	-
Loans from related entities		-	-
Changes to the subsidiaries ownership interest not resulting in the loss of control		-	-
Redemption or repurchase of the entities' shares (Shares in the portfolio)		-52,592	-11,812
Acquisition of other equity interest		-	-
Interests paid		-	-
Dividends paid		-105,655	-194,274
Income tax (paid) reimbursed		-	-
Other cash receipts (payments) relating to financing activities		-	-
Cash flows and cash equivalents from (used in) financing activities		-82,895	-159,826
Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates		1,104	-52,434
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		-1,755	4
Increase (Decrease) in Net Cash and Cash Equivalents		-651	-52,430
Cash and cash equivalents at beginning of year		6,426	54,588
Cash and cash equivalents at end of year	4	5,775	2,158

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements
As of September 30, 2023 and December 31, 2022

1. Background and Economic Activity

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

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

The Company's legal domicile is located at Av. Carlos Villarán N° 508, La Victoria, Lima, Peru.

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

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

The separate financial statements for the third quarter of 2023 have been issued with the authorization of the Management and shall be submitted to the Board of Directors for approval at the meeting to be held on October 23, 2023. The separate financial statements as of December 31, 2022 were approved in the Shareholders' Meeting held on March 30, 2023.

Corporate reorganization and change of name and purpose

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

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

Agreement for the acquisition of an unrelated entity

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

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

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

On April 20, 2023, the National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPI) authorized CELEPSA to carry out the business concentration transaction with Termochilca S.A. And, on May 8, 2023, the transaction was concluded.

UNACEM Corp S.A.A.

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

Other significant events in 2023

CALCEM S.A.

In June 2023, the Company was notified by INDECOPI of the authorization of the business concentration transaction involving the creation of a new corporation, between UNACEP Corp. S.A.A., with 51% of the capital stock, and Grupo Calidra S.A. de C.V., a Mexican company, with the remaining percentage.

The purpose of the new corporation will be to build and operate an industrial plant in the Condorcocha area, province of Tarma, department of Junin, for the production of quicklime and calcium carbonates, with an initial capacity of 600 tons per day of quicklime. This project requires an estimated total investment of USD 40 million. The construction of the plant would start in the fourth quarter of this year and would become operational in the first half of 2025. The Company's investment will be covered with own resources and financing from local banks.

The name of the new corporation is CALCEM S.A. and was registered in the National Superintendency of Customs and Tax Administration in September 2023.

Martin Marietta Southern California Cement, LLC

In the Board of Directors' meeting held on August 24, 2023, the Company approved and executed the purchase/sale agreement whereby the subsidiary Skanon Investments Inc. will acquire from the U.S. companies Martin Marietta Materials, Inc. and Martin Marietta Pacific District Cement, LLC (the "Sellers") 100% of the ownership interests of Martin Marietta Southern California Cement, LLC, a company domiciled in Delaware, United States, owner of the Tehachapi plant, which is an integrated plant with a capacity to produce 1,000,000 short tons of cement and 940,000 short tons of clinker. Furthermore, it was agreed that the Company would take part in such purchase/sale agreement to guarantee the performance of all the obligations of Skanon Investments Inc. to the Sellers.

The purchase price of USD 317,000,000 is subject to certain contractual adjustments to be made on the closing date. Furthermore, the transaction is subject to the approval of the Hart Scott Rodino Act Premerger Notification and shall be presented to the U.S. Federal Trade Commission (FTC) and the Antitrust Division of the U.S. Department of Justice. The funds for this purchase shall be obtained through bank financing.

2. Basis of Preparation of Separate Financial Statements

A. Basis of Preparation

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

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

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

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements
As of September 30, 2023 and December 31, 2022

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

B. Summary of Significant Accounting Policies

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

3. Foreign Currency Transactions

Foreign currency transactions are carried out at the free-market exchange rates published by the Superintendency of Banking, Insurance and Pension Fund Management Companies (SBS). As of September 30, 2023, the weighted average free-market exchange rates for transactions in Soles were PEN 3.790 (buying rate) and PEN 3.797 (selling rate) (buying exchange rate: PEN 3.808, and selling exchange rate: PEN 3.820, as of December 31, 2022), respectively.

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

<i>In thousands of Dollars</i>	2023	2022
Assets		
Cash and cash equivalents	902	734
Trade and other accounts receivable	42,297	12,888
	43,199	13,622
Liabilities		
Other financial liabilities	(25,000)	-
Trade and other accounts payable	(7,728)	(1,061)
	(32,728)	(1,061)
Net asset (liability) position	10,471	12,561

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

4. Cash and cash equivalents

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2023	As of December 31, 2022
Fixed funds	868	863
Checking accounts (a)	3,353	3,563
Time deposits (b)	1,554	2,000
	5,775	6,426

- (a) Checking accounts are in local and foreign currency, held with local and foreign banks with a high credit rating, and are freely available. These accounts earn interest at market rates.

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements
As of September 30, 2023 and December 31, 2022

- (b) They relate to time deposits held with local financial entities in local and foreign currency; said deposits earn interest at market rates and have original maturities less than three (3) months.

5. Trade and other accounts receivable

This caption comprises the following:

	<i>Note</i>	Current		Non-current	
		As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022
<i>In thousands of Soles</i>					
Trade					
Trade accounts receivable		589	638	-	-
Related					
Accounts receivable	16 (b)	207,589	142,535	25,055	25,055
Other					
Claims to the Tax Administration, net (a)		18,411	17,834	72,088	72,088
Advance payments of income tax (b)	18.B(f)	12,166	14,092	-	-
Claims to third parties		3,174	3,778	-	-
Value added tax credit		-	1,955	-	-
Loans to employees		958	832	-	-
Other accounts receivable		3,864	3,553	-	-
		246,751	185,217	97,143	97,143
Less – Expected credit loss (c)		(7,351)	(7,329)	-	-
		239,400	177,888	97,143	97,143

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

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Notes to the UNAUDITED Interim Separate Financial Statements
As of September 30, 2023 and December 31, 2022

6. Investments in Subsidiaries and Others

This caption comprises the following:

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

UNACEM Corp S.A.A.

Notes to the UNAUDITED Interim Separate Financial Statements
As of September 30, 2023 and December 31, 2022

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

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

- (b) During the periods ended September 30, 2023 and 2022, the Company received dividends from its subsidiaries for PEN 147,405,000 and PEN 201,487,000, respectively, note 16(a). Moreover, during the periods ended September 30, 2023 and 2022, the Company collected approximately PEN 176,242,000 and PEN 267,025,000, respectively.
- (c) The principal place of business where the subsidiaries and the other investee companies perform their activities is their country of incorporation.

7. Property, Plant and Equipment

- (a) As of September 30, 2023 and December 31, 2022, the net carrying amount is approximately PEN 144,000 and PEN 62,000, respectively.
- (b) The depreciation for the periods ended September 30, 2023 and 2022 is approximately PEN 33,000 and PEN 62,000, respectively, and is recognized in the separate income statement under "Administrative Expenses," note 14.

8. Intangible Assets

- (a) As of September 30, 2023 and December 31, 2022, the net carrying amount is approximately PEN 20,207,000 and PEN 20,939,000, respectively.
- (b) The amortization for the periods ended September 30, 2023 and 2022 is approximately PEN 1,846,000 and PEN 1,958,000, respectively, and is recognized in the separate income statement under "Administrative Expenses," note 14.

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9. Trade and Other Accounts Payable

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2023	As of December 31, 2022
Accounts payable to related parties	16(b)	102,124	8,834
Dividends payable	12 E.	17,965	15,338
Trade accounts payable		9,563	4,583
Value added tax payable		8,980	-
Interest payable	10(f)	8,874	9,953
Compensations and vacations payable		8,404	6,910
Board of directors' compensation payable		842	2,381
Contingencies payable		736	736
Employee contributions payable		227	391
Other accounts payable		919	1,313
		158,634	50,439
Terms			
Current portion		155,737	48,852
Non-current portion		2,897	1,587
		158,634	50,439

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10. Other Financial Liabilities

(a) This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2023			As of December 31, 2022		
	Current Portion	Non-current Portion	Total	Current Portion	Non-current Portion	Total
Bank promissory notes (b)	94,729	-	94,729	-	-	-
Bonds (c)	-	-	-	18,815	-	18,815
Bank loans (d)	211,896	771,057	982,953	121,242	950,047	1,071,289
	306,625	771,057	1,077,682	140,057	950,047	1,090,104

(b) As of September 30, 2023, the bank promissory note refers to a working capital financing obtained from Scotiabank Perú and is not backed by specific guarantees.

The interest expenses from bank promissory notes maintained by the Company as of September 30, 2023 and 2022 amounted to approximately PEN 2,831,000 and PEN 1,226,000, respectively, and are recorded in the separate income statement under "Financial expenses," note 15.

(c) As of September 30, 2023 and December 31, 2022, the balance of corporate bonds is as detailed below:

<i>In thousands of Soles</i>	Annual interest rate	Maturity	2023	2022
Corporate bonds				
Second issuance of the second program	5.16%	March 2023	-	18,815
			-	18,815

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

<i>In thousands of Soles</i>	Maturity	Initial Amount	Currency	Use of Funds	As of September 30, 2023	As of December 31, 2022
Bank loans (e) (f) and (g)						
Banco de Crédito del Perú	October 2026	502,500	Soles	Redemption of overseas bond	369,830	396,600
Scotiabank Perú	January 2027	671,547	Soles	Refinancing of financial liabilities	279,183	307,416
BBVA Banco Continental	December 2026	533,357	Soles	Refinancing of financial liabilities	249,645	274,890
Banco Internacional del Perú	December 2026	228,385	Soles	Refinancing of financial liabilities	87,563	96,417
					986,221	1,075,323
Amortized cost					(3,268)	(4,034)
Total					982,953	1,071,289

On January 1, 2022, the Company transferred, as part of the equity block, bank loans totaling PEN 1,560,978,000 to its subsidiary UNACEM Perú S.A. Furthermore, as part of the reorganization agreements, the Company has provided a guarantee for the bank loans transferred to UNACEM Perú S.A. up to a limit of PEN 833,737,000 and PEN 1,015,430,000 as of September 30, 2023 and December 31, 2022, respectively.

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

In Management's opinion, the Company has complied with the financial covenants as of September 30, 2023 and December 31, 2022.

- (f) As of September 30, 2023, and December 31, 2022, interest payable on bonds and medium- and long-term debt to bank entities amounted to approximately PEN 8,874,000 and PEN 9,953,000, respectively, and are registered in the separate statements of financial position under "Trade and other accounts payable," note 9.

Interest on bonds and medium- and long-term debt to bank entities for the years ended September 30, 2023 and 2022 amounted to approximately PEN 34,828,000 and PEN 37,486,000, respectively, and is recorded in the separate income statement under "Financial expenses," note 15.

- (g) As of September 30, 2023 and December 31, 2022, the Company maintained bank loans in Soles at annual lending interest rates ranging from 4.30 to 4.92%.

11. Deferred Income Tax Asset

- (a) As of September 30, 2023 and December 31, 2022, the net carrying amount is approximately PEN 12,263,000 and PEN 11,310,000, respectively.
- (b) The income tax expense shown in the separate income statement for the years ended September 30, 2023 and 2022 amount to approximately PEN 8,606,000 and PEN 27,159,000, respectively.

12. Net Stockholders' Equity**A. Issued capital**

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

In the Shareholders' Meeting held on August 31, 2023, the reduction of the Company's capital stock from PEN 1,818,127,611 to PEN 1,780,000,000 was approved. Such reduction is in the process of being registered with the National Superintendency of Public Records Offices. For further details, see note 12. C.

As of September 30, 2023		
Shareholders	Number of Shares	Shareholding Percentage
Inversiones JRPR S.A.	483,489,609	26.59%
Nuevas Inversiones S.A.	459,129,497	25.25%
Pension Fund Management Companies (AFP)	436,783,069	24.03%
Others	438,725,436	24.13%
	1,818,127,611	100.00%

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

As of September 30, 2023, the market quote of each common share has been PEN 1.59 (PEN 1.80 as of December 31, 2022).

B. Additional capital

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

C. Treasury stock

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

In the Board of Directors' meeting held on June 28, 2023, it was resolved to extend the program to June 30, 2025, and increased the maximum amount to PEN 112,000,000, without exceeding 4% of the treasury stock. Additionally, the Board of Directors expressly empowered the General Management to establish the terms and conditions of the program and to carry out the necessary acts to execute such program.

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

Likewise, the Shareholders' Meeting held on August 31, 2023 approved the amortization of 38,127,611 treasury shares generated by the program and the consequent reduction of the Company's capital stock from PEN 1,818,127,611 to PEN 1,780,000,000. The excess amount paid over the face value of the 38,127,611 shares to be amortized, amounting to PEN 26,808,000, was charged to retained earnings.

As of September 30, 2023, the Company has 6,799,000 treasury shares equivalent to PEN 11,106,000 (12,967,000 treasury shares equivalent to PEN 23,530,000 as of December 31, 2022).

D. Legal reserve

The Business Corporations Act requires that no less than 10% of each year's distributable profits, less the income tax, be transferred to a legal reserve until it equals 20% of the issued capital. The legal reserve may be used to offset losses or may be capitalized, but it must be replenished in both cases. As of September 30, 2023 and December 31, 2022, the legal reserve equals 20% of the issued capital.

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E. Dividend distribution

The information on the dividends distributed is provided below:

2023 dividends

Date of Board of Directors' Meeting	Dividends Declared PEN (000)	Date of Payment	Dividends per Common Share
January 25, 2023	36,103	February 27, 2023	0.020
April 27, 2023	36,102	May 31, 2023	0.020
July 26, 2023	36,099	August 31, 2023	0.020
	108,304		

2022 dividends

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

As of September 30, 2023 and December 31, 2022, the balance of dividends payable is PEN 17,965,000 and PEN 15,338,000, respectively, note 9.

13. Revenue

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2023	As of September 30, 2022
Dividend revenue	16(a)	147,405	201,487
Royalty revenue	16(a)	142,529	131,855
		289,934	333,342
Timing of revenue recognition			
Services transferred at a point in time		289,934	333,342
		289,934	333,342

14. Administrative Expenses

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2023	As of September 30, 2022
Personnel expenses		23,001	19,299
Services provided by third parties		37,090	13,169
Amortization of intangibles	8(b)	1,846	1,958
Taxes		1,292	1,859
Depreciation	7(b)	33	62
Others		861	3,439
		64,123	39,786

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15. Financial Expenses

It mainly refers to interest on medium- and long-term debt to bank entities. As of September 30, 2023 and 2022, it amounts to approximately PEN 37,659,000 and PEN 38,712,000, respectively, notes 10(b) and 10(f).

16. Transactions with Related Companies

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

<i>In thousands of Soles</i>	<i>Note</i>	2023	2022
Revenue			
Dividend revenue -	<i>13</i>		
UNACEM Perú S.A.		95,590	90,704
Inversiones Imbabura S.A.		26,313	84,944
ARPL Tecnología Industrial S.A.		13,243	10,554
Compañía Eléctrica el Platanal S.A.		8,852	15,285
Inversiones en Concreto y Afines S.A.		3,407	-
Royalty revenue -	<i>13</i>		
UNACEM Perú S.A.		84,284	88,426
Skanon Investments Inc.		24,514	-
UNACEM Ecuador S.A.		17,886	19,186
Unión de Concreteras S.A.		7,229	10,446
Compañía Eléctrica el Platanal S.A.		7,108	5,553
Concremax S.A.		1,542	1,994
UNACEM Chile S.A.		-	2,919
UNICON Chile S.A.		-	3,331
Revenue from sale of clinker -			
UNACEM Chile S.A.		-	23,822
Revenue from interest on loans granted to related parties -			
Compañía Eléctrica el Platanal S.A.		2,999	-
Prefabricados Andinos Perú S.A.C.		1,357	1,104
Digicem S.A.		1,486	3
Inversiones Nacionales y Multinacionales Andinas S.A.		1,188	122
Generación Eléctrica de Atocongo S.A.		18	7
Inversiones Imbabura S.A.		14	19
UNACEM Perú S.A.		13	28
Other revenues and refunds -			
UNACEM Perú S.A.		9,262	40,763
Purchases and costs			
Surveillance services -			
Vigilancia Andina S.A.		471	390
Administrative support services -			
UNACEM Perú S.A.		1,422	270
Expenses from interest on loans received from related parties -			
UNACEM Perú S.A.		2,647	857
Others -			
UNACEM Ecuador S.A.		2,487	-
UNACEM Perú S.A.		2,183	401
Inversiones Nacionales y Multinacionales Andinas S.A.		1,508	-
Compañía Eléctrica el Platanal S.A.		1,154	-
Drake Cement LLC		56	-

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- (b) As a result of this and other minor transactions, the Company records the following balances with its related companies:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2023	As of December 31, 2022
Accounts receivable			
Prefabricados Andinos Perú S.A.C.		3,425	2,416
Digicem S.A.		1,718	187
Drake Cement LLC		579	437
UNACEM Perú S.A.		70	3,496
UNACEM Chile S.A.		11	21,597
Others		1,043	131
		6,846	28,264
Dividends receivable			
Inversiones Imbabura S.A.		20,752	8,119
UNACEM Perú S.A.		-	41,354
		20,752	49,473
Royalties receivable			
UNACEM Perú S.A.		9,820	31,042
Skanon Investments Inc.		8,825	-
UNACEM Ecuador S.A.		4,909	5,103
Compañía Eléctrica el Platanal S.A.		2,830	1,388
Unión de Concreteras S.A.		2,400	3,914
Concremax S.A.		492	735
UNACEM Chile S.A.		-	1,170
UNICON Chile S.A.		-	1,048
		29,276	44,400
Loans receivable			
Compañía Eléctrica el Platanal S.A.		94,546	-
Digicem S.A.		36,480	10,486
Prefabricados Andinos Perú S.A.C.		25,055	25,055
Inversiones Nacionales y Multinacionales Andinas S.A.		19,469	9,692
Generación Eléctrica de Atocongo S.A.		220	220
		175,770	45,453
Total accounts receivable	5	232,644	167,590
Terms			
Current portion		207,589	142,535
Non-current portion		25,055	25,055
		232,644	167,590
Accounts payable			
UNACEM Perú S.A.		94,020	135
Inversiones en Concreto y Afines S.A.		6,448	6,448
UNACEM Ecuador S.A.		1,031	2,001
Compañía Eléctrica el Platanal S.A.		253	8
Inversiones Nacionales y Multinacionales Andinas S.A.		110	35
Others		262	207
Total accounts payable	9	102,124	8,834

- (c) The total compensations received by directors and key Management officers as of September 30, 2023 amounted to approximately PEN 16,893,000 (as of September 30, 2022, to approximately PEN 12,225,000), which includes short-term benefits and severance payment (CTS).

The Company carries out its operations with related companies under the same conditions as those agreed with third parties; therefore, there are no differences in the pricing policies or in the tax settlement base. Concerning forms of payment, they do not differ from policies granted to third parties.

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17. Earnings per Share

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

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

<i>In thousands of</i>	Outstanding Shares	Base Shares for Calculation	Number of Days in the Year	Weighted Average of Outstanding Shares
Year 2023				
Balance as of January 1, 2023	1,805,161	1,805,161	365	1,805,161
Sale of treasury stock	1,512	1,512	155	642
Purchase of treasury stock	(33,473)	(33,473)	107	(9,813)
Balance as of September 30, 2023	1,773,200	1,773,200		1,795,990
Profit for the year (in thousands of Soles)				186,850
Net basic and diluted earnings per share (expressed in Soles)				0.104

<i>In thousands of</i>	Outstanding Shares	Base Shares for Calculation	Number of Days in the Year	Weighted Average of Outstanding Shares
Year 2022				
Balance as of January 1, 2022	1,810,835	1,810,835	365	1,810,835
Purchase of treasury stock	(5,612)	(5,612)	164	(2,522)
Balance as of September 30, 2022	1,805,223	1,805,223		1,808,313
Profit for the year (in thousands of Soles)				226,766
Net basic and diluted earnings per share (expressed in Soles)				0.125

As of September 30, 2023 and 2022, the Company has 6,799,000 and 12,904,000 treasury shares, respectively.

18. Commitments and Contingencies**A. Financial commitments**

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

B. Tax Situation***Tax rates***

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

Individuals, and legal entities not domiciled in Peru, are subject to the withholding of an additional tax on the dividends received. In this regard, in accordance with Legislative

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Order (*Decreto Legislativo*) 1261, the additional tax on dividends received shall be withheld at a rate of 5% for the profits yielded starting from 2017 that are distributed as from such date.

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

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

Temporary tax on net assets

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

As of September 30, 2023, the Company made a partial payment of ITAN 2023 for PEN 5,162,000. The amount of PEN 20,653,000 was paid as ITAN 2022.

Transfer pricing

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

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

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

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

Income tax assessment

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

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

- (f) As of September 30, 2023 and December 31, 2022, the net income tax credit balance of PEN 12,166,000 and PEN 14,092,000, respectively, is recognized in the separate statement of financial position under "Trade and other accounts receivable," note 5.

C. Contingencies

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

(a) Tax proceedings:

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

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

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

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

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19. Financial Risk Management Objectives and Policies

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

A. Market risk

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

i. Interest rate risk

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

ii. Exchange rate risk

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

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

As of September 30, 2023 and 2022, the fact of having balances in foreign currency represented for the Company a net gain of approximately PEN 110,000 (loss of approximately PEN 15,271,000 and gain of approximately PEN 15,381,000) and a net loss of approximately PEN 1,486,000 (loss of approximately PEN 27,352,000 and gain of approximately PEN 25,866,000), respectively; they are recognized in the separate income statement under "Exchange difference, net."

Sensitivity to exchange rate

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

<i>Effect in thousands of Soles</i>	Profit/loss for the period	
	Devaluation	Revaluation
September 30, 2023		
USD (5% movement)	1,973	(1,973)
USD (10% movement)	3,945	(3,945)
September 30, 2022		
USD (5% movement)	1,650	(1,650)
USD (10% movement)	3,300	(3,300)

B. Credit risk

Credit risk is the risk that a financial loss will be incurred if a counterparty to a financial instrument or commercial contract fails to discharge its obligations. The Company is exposed to the credit risk from its operating activities and financial activities, including deposits held in banks and financial institutions, foreign currency transactions and other financial instruments.

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The maximum exposure to credit risk for the items in the separate financial statements as of September 30, 2023 and December 31, 2022 is represented by the sum of the items of cash and cash equivalents, and trade and other accounts receivable.

Cash and bank deposits

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

Accounts receivable from related parties

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

Other accounts receivable

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

C. Liquidity risk

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

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

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

<i>In thousands of Soles</i>	<i>Note</i>	Carrying amount	As of September 30, 2023			Total
			Less than 12 months	2 - 3 years	4 - 8 years	
Trade and other accounts payable	9	158,634	155,737	2,897	-	158,634
Other financial liabilities						
Amortization of principal	10	1,077,682	306,625	620,644	150,413	1,077,682
Cash flows from payment of interest		-	44,573	44,702	2,380	91,655
Total liabilities		1,236,316	506,935	668,243	152,793	1,327,971

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

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D. Capital Management

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

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

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

20. Fair Values

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

A. Financial instruments not measured at fair value

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

Level 1

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

Level 2

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

	As of September 30, 2023		As of December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>In thousands of Soles</i>				
Bank promissory notes	94,729	95,251	-	-
Bonds and bank loans	982,953	960,218	1,090,104	1,051,740

21. Subsequent Events

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