

UNACEM Perú S.A.

**UN-AUDITED Separate Interim Financial
Information as of September 30, 2024
and December 31, 2023**



UNACEM PERU S.A.
Statement of Financial Position
 As of September 30th, 2024 and December 31st 2023
 (In thousands of Soles)

	Notes	As of September 30th, 2024	As of December 31st 2023
Assets			
Current Assets			
Cash and cash equivalents	4	24,442	32,991
Other Financial Assets		0	0
Trade and other accounts receivable	5	410,194	372,095
Trade Accounts Receivable , net		66,435	82,063
Other Accounts Receivable , net		8,149	22,756
Accounts Receivable from Related Companies		314,200	242,659
Advances to suppliers		21,410	24,617
Inventories	6	591,568	586,130
Assets by Income Taxes		0	0
Other Non-Financial Assets		7,516	2,726
Total Current Assets different than assets or groups of assets for its classified as held for sale or for distribution to owners		1,033,720	993,942
Non-current assets or groups of assets for disposal Classified as Held for Sale		0	0
Non-current assets or groups of assets for its classified as held for distribution to owners		0	0
Non-current assets or groups of assets for disposal Classified as Held for Sale or Held for distribution to owners		0	0
Total Current Assets		1,033,720	993,942

Non-Current Assets

Other Financial Assets		5,729	4,198
Investments in subsidiaries, joint ventures and associates		202	0
Trade Accounts Receivables and other accounts receivables	5	4,444	1,263
Trade Accounts Receivable		0	0
Other Accounts Receivable		0	0
Accounts Receivable from Related companies		0	0
Advanced payments		4,444	1,263
Biological Assets		0	0
Right-of-use assets		6,815	0
Investment Property			
Mining concessions and property, plant and equipment	7	3,803,245	3,708,642
Intangible Assets , net		5,242	4,553
Assets Deferred Income Tax		0	0
Surplus value		9,746	9,746
Deferred asset related to Stripping	8	89,764	92,211
Total Non-current Assets		3,925,187	3,820,613

TOTAL ASSETS		4,958,907	4,814,555
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	Notes	As of September 30th, 2024	As of December 31st 2023
Liabilities and Stockholders' Equity			
Current Liabilities			
Other Financial Liabilities	10	1,224,850	466,350
Trade and other accounts payable		364,525	331,959
Trade Accounts Payable	9	221,153	207,599
Other Accounts Payable	9	70,046	41,875
Accounts payable to related parties	9	44,771	55,392
Diferred Income		13,536	9,181
Provision for Employee Benefits		0	0
Other provisions		39,808	43,330
Right-of-use liabilities		392	0
Income Tax payable	9	28,555	27,093
Other non-financial liabilities		0	0
Total Current Liabilities different of Liabilities included groups of assets for disposal Classified as Held for Sale		1,643,111	850,820
Liabilities included in asset groups classified as held for sale		0	0
Total Current Liabilities		1,643,111	850,820

Non-Current Liabilities

Other Financial Liabilities	10	305,040	1,107,997
Trade accounts payable and other payable accounts		0	0
Trade Accounts Payable		0	0
Other Accounts Payable		0	0
Accounts payable to related companies		0	0
Deferred Income		0	0
Provision for Employee Benefits		0	0
Other provisions		19,772	19,137
Right-of-use liabilities		6,521	0
Deferred income tax liability	11	351,568	368,165
Other non-financial liabilities	20,A,i	0	0
Total Non-Current Liabilities		682,901	1,495,299

Total Liabilities		2,326,012	2,346,119
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Stockholders' Equity

Issued Capital	12	2,156,485	2,156,485
Issuance Premiums		0	0
Investment shares		0	0
Treasury Shares in portfolio		0	0
Legal reserve		112,089	80,994
Retained earnings		351,967	217,780
Unrealized profits and losses		12,354	13,177
Total Stockholders' Equity		2,632,895	2,468,436

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		4,958,907	4,814,555
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UNACEM PERU S.A.
Statement of Profit or Loss
For the period ended September 30th, 2024 and 2023
(In thousands of Soles)

	Notes	For the cumulative period from January 1st to September 30th, 2024	For the cumulative period from January 1st to September 30th, 2023
Revenue from ordinary activities	13	2,023,785	2,035,083
Cost of Sales	14	-1,264,015	-1,342,065
Profit (Loss) Gross		759,770	693,018
Selling expenses		-40,844	-39,760
Administrative expenses	15	-129,738	-111,826
Profit (Loss) in the write-off of financial assets carried at amortized cost		-	-
Other revenue	16	35,873	31,200
Other expenses	16	-108,564	-111,604
Other profit (loss)		-	-
Profit (Loss) from operating activities		516,497	461,028
Financial Income		3,289	6,294
Financial Expenses	17	-73,831	-70,640
Exchange differences, net	20.A (ii)	2,723	6,637
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		448,678	403,319
Income tax expenses	11(a)	-137,723	-124,202
Profit (Loss) Net of Continued Operations		310,955	279,117
Profit (loss) net of the tax to the profit from discontinued operations		-	-
Profit (loss) net of the year		310,955	279,117



UNACEM PERU S.A.
Statement of Comprehensive Income
For the period ended September 30th, 2024 and 2023
(In thousands of Soles)

	Notas	For the cummulative period from January 1st to September 30th, 2024	For the cummulative period from January 1st to September 30th, 2023
Net Profit (Loss) of the year		310,955	279,117
Components of other comprehensive income:			
Net Change for Cash Flow Hedges		0	0
Hedges of a Net Investment in a Foreign Operation		0	0
Profit (Loss) in equity instrument investments at fair value		0	0
Exchange difference on translation of Foreign Operations		0	0
Net variation of non-current assets or groups of assets held for sale		0	0
Revaluation Surplus		0	0
Actuarial Gain (Loss) on defined benefit pension plans		0	0
Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability		0	0
Other Comprehensive Income Pre Tax		-	-
Income tax relating to components of other comprehensive income			
Net Change for Cash Flow Hedges		-1,167	762
Hedges of a Net Investment in a Foreign Operation		0	0
Profit (Loss) in equity instrument investments at fair value		0	0
Exchange difference on translation of Foreign Operations		0	0
Net variation of non-current assets or groups of assets held for sale		0	0
Gains (Losses) for Financial Assets Measured at Fair Value with Changes in Other Comprehensive Income, net of Taxes		344	-225
Actuarial Gain (Loss) on defined benefit pension plans		0	0
Changes in the fair value of financial liabilities attributable to changes in the credit risk of the liability		0	0
Sum of Income Tax-Related Components of other comprehensive income		-823	537
Other Comprehensive Income		-823	537
Total Comprehensive Income for the period , net of income tax		310,132	279,654



UNACEM PERU S.A.
Statement of Cash Flow
 Direct Method
 For the periods ended September 30th, 2024 and 2023
 (In thousands of Soles)

	Notes	As of January 1st, 2024 to September 30th, 2024	As of January 1st, 2023 to September 30th, 2023
Operating activities cash flows			
Types of cash collections from operating activities			
Sale of Goods and Services		2,394,071	2,408,824
Royalties, fees, commissions and other income from ordinary activities		0	0
Contracts held for brokering or trading purposes		0	0
Lease and subsequent sales of such assets		0	0
Other Cash Receipts Related to Operating Activity		0	0
Types of cash collections from operating activities			
Suppliers of goods and services		-1,391,727	-1,577,580
Contracts held for brokering or trading purposes		0	0
cash payments to and on behalf of employees		-235,832	-225,372
Elaboration or acquisition of assets to be leased and other assets held for sale		0	0
Other Cash Payments Related to Operating Activity		-116,997	-112,083
Cash flows and cash equivalents from (used in) Operating Activities		649,515	493,789
Interests received (not included in the Investment Activities)		0	0
Interests paid (not included in the Investment Activities)		-56,006	-63,709
Dividends Received (not included in the Investment Activities)		0	0
Dividends Paid (not included in the Investment Activities)		0	0
Income tax (paid) reimbursed		-149,283	-274,709
Other cash collections (payments)		-11,880	-95,632
Cash flows and cash equivalents from (used in) Operating Activities		432,346	59,739
Cash flows from Investment activities			
Type of cash payments from investment activities			
Advances and loans granted to third parties		0	0
Controlling interest of subsidiaries and other businesses		0	0
Loans from related		0	0
Purchase of Financial Instruments of equity or debt of other entities		0	0
Derivatives contracts (Futures, Forwards or Options)		0	0
Purchase of Subsidiaries, Net of cash acquired		0	0
Purchase of Joint Venture shares, Net of the cash acquired		0	0
Purchase of Property, Plant and Equipment		-236,913	-126,419
Purchase of intangible assets		-34	0
Purchase of other long- term assets		-1,531	0
Income tax (paid) reimbursed		0	0
Other cash receipts (payments) relating to Investment activities		0	0
Cash flows and cash equivalents from (used in) investing activities		-238,478	-126,419



UNACEM PERU S.A.
Statement of Cash Flow

Direct Method
For the periods ended September 30th, 2024 and 2023
(In thousands of Soles)

	Notes	As of January 1st, 2024 to September 30th, 2024	As of January 1st, 2023 to September 30th, 2023
Cash flows from Financing activities			
Type of cash collections from financing activities			
Loan securing		830,000	876,503
Loans from related entities		0	0
Changes to the subsidiaries ownership interest not resulting in the loss of control		0	0
Issuance of Shares		0	0
Issuance of Other Equity Instruments		0	0
Government Subventions		0	0
Type of cash payments from financing activities		0	0
Loan Amortization or payment		-875,431	-666,842
Financial leasing liabilities		0	0
Right-of-use liabilities		-1,829	0
Loans from related entities		0	0
Changes to the subsidiaries ownership interest not resulting in the loss of control		0	0
Redemption or repurchase of the entities' shares (Shares in the portfolio)		0	0
Acquisition of other equity interest		0	0
Interests paid		0	0
Dividends paid		-156,673	-136,930
Income tax (paid) reimbursed		0	0
Other cash receipts (payments) relating to financing activities		0	0
Cash flows and cash equivalents from (used in) financing activities		-203,933	72,731
Increase (Decrease) in Net Cash and cash equivalents, before Changes in Foreign Exchange Rates		-10,065	6,051
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		1,718	63
Increase (Decrease) in Net Cash and Cash Equivalents		-8,347	6,114
Cash and cash equivalents at beginning of year		32,991	60,708
Cash and cash equivalents at end of year		24,644	66,822



UNACEM PERU S.A.
Statement of changes in Equity
For the periods ended September 30th, 2024 and 2023
(In thousands of Soles)

	Issued Capital	Issuance Premiums	Investment shares	Treasury Shares In Portfolio	Legal reserve	Retained earnings	Cash Flow Hedges	Investment Hedges, net of foreign businesses	Investments in equity instruments accounted at fair value	Unrealized profits and losses					Subtotal	Total Stockholders' Equity
										Exchange difference on translation of Foreign Operations	Non-current assets or groups of assets for held for sale	Revaluation Surplus	Actuarial Profit (Loss) on defined benefit plans	Reserve on Financial Assets Measured at Fair Value with Changes in Other Comprehensive Income		
Balances as of January 1, 2023	2,156,485	-	-	-	42,146	139,200	13,737	-	-	-	-	-	-	-	13,737	2,351,568
1. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Restated Initial Balance	2,156,485	-	-	-	42,146	139,200	13,737	-	-	-	-	-	-	-	13,737	2,351,568
4. Changes in Stockholders' Equity:																
5. Comprehensive Income:																
6. Gain (Loss) for the year						279,117										279,117
7. Other Comprehensive Income:						-	537	-	-	-	-	-	-	-	537	537
8. Comprehensive Income - Total year						279,117	537	-	-	-	-	-	-	-	537	279,654
9. Cash Dividends Declared					-	-95,590										-95,590
10. Increase (Decrease) for Transfer and other Equity Changes					27,912	-27,912										-
Total Equity Increase (decrease)	-	-	-	-	27,912	155,615	537	-	-	-	-	-	-	-	537	184,064
Balance as of June 30, 2023	2,156,485	-	-	-	70,058	294,815	14,274	-	-	-	-	-	-	-	14,274	2,535,632
Balance as of January 1, 2024	2,156,485	-	-	-	80,994	217,780	13,177	-	-	-	-	-	-	-	13,177	2,468,436
1. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Restated Initial Balance	2,156,485	-	-	-	80,994	217,780	13,177	-	-	-	-	-	-	-	13,177	2,468,436
4. Changes in Stockholders' Equity:																
5. Comprehensive Income:																
6. Gain (Loss) for the year						310,955										310,955
7. Other Comprehensive Income:						-	-823	-	-	-	-	-	-	-	-823	-823
8. Comprehensive Income - Total year						310,955	-823	-	-	-	-	-	-	-	-823	310,132
9. Cash Dividends Declared					-	-145,673										-145,673
10. Increase (Decrease) for Transfer and other Equity Changes					31,095	-31,095										-
Total Equity Increase (decrease)	-	-	-	-	31,095	134,187	-823	-	-	-	-	-	-	-	-823	164,459
Balance as of September 30th, 2024	2,156,485	-	-	-	112,089	351,967	12,354	-	-	-	-	-	-	-	12,354	2,632,895

UNACEM Perú S.A.

Notes to the separate UNAUDITED Interim Financial Statements

as of September 30, 2024

1. Company Details and Economic Activity

UNACEM Perú S.A. (hereinafter, the “Company”) was incorporated on September 30, 2021.

As of December 31, 2023, the Company is a subsidiary of UNACEM Corp. S.A.A. (hereinafter, the “Parent Company”), which directly owns 100% of its capital stock. The Parent Company has the power to direct the Company’s financial and operating policies.

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

The Company’s main activity is the production and marketing of clinker and cement within the country and for export. To this end, the Company has two plants located in the departments of Lima and Junin, with an annual production capacity of 6.7 million tons of clinker and 8.3 million tons of cement, respectively.

The separate financial statements for the third quarter of 2024 have been issued with the authorization of the Company’s Management and shall be submitted for approval at the Board of Directors’ meeting to be held on October 30, 2024. The financial statements for the year 2023 were approved in the Shareholders’ Meeting held on March 27, 2024.

2. Significant Accounting Policies and Basis of Preparation

A. Basis of Preparation and Presentation

The Company’s separate unaudited interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in force as of September 30, 2024. The financial statements have been prepared on a historical cost basis, except for the derivative financial instruments that have been measured at fair value.

The interim financial statements are presented in Soles and all amounts have been rounded to thousands (PEN 000), unless otherwise indicated.

The separate unaudited interim financial statements provide comparative information with respect to prior 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 of and for the year ended December 31, 2023.

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

Notes to the separate financial statements (continued)

B. Significant Accounting Policies

The accounting policies adopted in the preparation of these separate interim financial statements are consistent with the policies considered in the preparation of the audited financial statements as of December 31, 2023.

3. Foreign Currency Transactions

Transactions in foreign currency are carried out at the free-market exchange rates published by the Superintendency of Banking, Insurance and Private Pension Fund Management Companies (SBS). As of September 30, 2024, the weighted average free-market exchange rates for transactions in Soles were PEN 3.703 (buying rate) and PEN 3.714 (selling rate) (buying exchange rate: PEN 3.705, and selling exchange rate: PEN 3.713, as of December 31, 2023).

As of September 30, 2024 and December 31, 2023, the Company had the following assets and liabilities in U.S. Dollars:

<i>In thousands of U.S. Dollars</i>	As of September 30, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	497	1,864
Financial instruments and derivatives	241	679
Trade and other accounts receivable	53,400	42,581
	54,138	45,124
Liabilities		
Trade and other accounts payable	(12,147)	(5,973)
Right-of-use liabilities	(1,868)	-
Other financial liabilities	(71,000)	(85,500)
	(85,015)	(91,473)
Net liability position	(30,877)	(46,349)

The Company manages the exchange rate risk by monitoring and controlling the amounts of currencies other than the functional currency that are exposed to changes in the exchange rates.

As of September 30, 2024 and December 31, 2023, 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, 2024	As of December 31, 2023
Fixed funds	17	19
Checking accounts (a)	15,725	21,648
Time deposits (b)	8,700	11,324
	24,442	32,991

(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 accrue interest at market rates.

(b) Time deposits are held with local financial entities in local and foreign currency; said deposits accrue interest at market rates and have original maturities of less than three (3) months.

Notes to the separate financial statements (continued)

5. Trade and Other Accounts Receivable

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of December 31, 2023
Trade Receivables		
Trade accounts receivable (a)	66,435	82,063
Related Receivables		
Accounts receivable (18 c)	314,200	242,659
Miscellaneous Receivables		
Advance payments to suppliers (b)	25,854	25,880
Claims to third parties	395	2,413
VAT tax credit	-	11,349
Personnel loans	922	1,065
Hedging financial instruments (20.A.i)	594	1,762
Other accounts receivable	6,553	6,482
	414,953	373,673
Less – Expected credit loss	(315)	(315)
Total	414,638	373,358
Less – Current portion	410,194	372,095
Non-current portion	4,444	1,263

- (a) Trade accounts receivable are mainly denominated in Soles, have current maturities, do not bear interest, and are not backed by significant specific guarantees.
- (b) As of September 30, 2024 and December 31, 2023, it refers to advance payments made to suppliers for the purchase of supplies, and the provision of different services. These advance payments shall be applied in the short and long term.

6. Inventories

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of December 31, 2023
Finished products	20,653	26,251
Products in process	239,110	219,429
Raw and auxiliary materials (a)	126,927	121,660
Containers and packaging materials	21,296	29,118
Spare parts and supplies	204,338	206,139
	612,324	602,597
Estimate for inventory impairment (b)	(20,756)	(16,467)
	591,568	586,130

- (a) Raw and auxiliary materials primarily include gypsum, coal, steel slag and imported clinker. As of September 30, 2024, the Company has a stock of imported coal for approximately PEN 39,534,000 (PEN 29,819,000 as of December 31, 2023).
- (b) In the opinion of the Company's Management, the estimate for inventory impairment properly covers the inventory impairment risk as of September 30, 2024 and December 31, 2023.

Notes to the separate financial statements (continued)

7. Mining Concessions and Property, Plant and Equipment

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of December 31, 2023
Cost –		
Opening balance	6,298,028	6,043,110
Additions (a)	257,100	256,431
Write-offs	(3,231)	(1,677)
Quarry closure	(2,481)	164
Closing balance	6,549,416	6,298,028
Accumulated depreciation –		
Opening balance	2,589,386	2,377,373
Depreciation for the period (b)	160,407	217,790
Write-offs	(1,605)	(1,492)
Quarry closure	(2,017)	(4,285)
Closing balance	2,746,171	2,589,386
Net carrying amount:	3,803,245	3,708,642

- (a) As of September 30, 2024, the main additions refer to disbursements made for the following project: Kiln 3 cooler dedusting system at the Condorcocha plant. Moreover, the roofing work on the clinker fields continues at both plants: Atocongo and Condorcocha. The total amount of the indicated projects is approximately PEN 110,556,000.

During 2023, the main additions refer to disbursements made for the following project: Kiln 3 cooler dedusting system at the Condorcocha plant. Moreover, the expansion of packaging and product delivery capacity is still in progress at both plants: Atocongo and Condorcocha. The amount of the indicated projects is approximately PEN 103,855,000.

- (b) As of September 30, 2024, and September 30, 2023, depreciation has been distributed as follows:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of September 30, 2023
Cost of sales	14	156,232	158,736
Administration expenses	15	2,965	2,717
Selling expenses		150	219
Other expenses		1,060	4,090
		160,407	165,762

Notes to the separate financial statements (continued)

8. Deferred Asset related to Stripping

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of December 31, 2023
Cost			
Opening and closing balance		164,912	164,912
Accumulated depreciation			
Opening balance		72,701	69,051
Additions	14	2,447	3,650
Closing balance		75,148	72,701
Net carrying amount		89,764	92,211

As of September 30, 2024 and December 31, 2023, the Company has three identifiable components (quarries): Atocongo, Atocongo Norte and Pucará. These quarries maintain a specific volume of limestone and waste.

9. Trade and Other Accounts Payable

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of December 31, 2023
Trade accounts payable (a)	221,153	207,599
Accounts payable to related parties 18(c)	44,771	55,392
Interest payable 10(b) and 10.1(c)	26,502	8,988
Compensations, bonuses and vacations payable	17,558	13,284
Employee contributions payable	2,830	3,389
Income tax payable	28,555	27,093
Board of directors' compensation payable	3,002	3,367
Value added tax	4,706	-
Other accounts payable	15,448	12,847
	364,525	331,959

- (a) Trade accounts payable primarily arise from mineral extraction and purchase of fuels and additives for the Company's production, are denominated in local and foreign currency, have current maturities, do not bear interest, and are not backed by guarantees.

10. Other Financial Liabilities

(a) This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024			As of December 31, 2023		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bank promissory notes (b)	947,130	-	947,130	167,085	-	167,085
Bank loans (10.1)	277,720	305,040	582,760	299,265	1,107,997	1,407,262
	1,224,850	305,040	1,529,890	466,350	1,107,997	1,574,347

(b) Bank promissory notes mainly refer to working capital financing, are not backed by specific guarantees, and are renewed depending on the Company's working capital needs.

As of September 30, 2024 and December 31, 2023, the balance by bank entity is as follows:

<i>In thousands of Soles</i>	Original Currency	Maturity	As of September 30, 2024	As of December 31, 2023
Financial Entity				
BBVA Banco Continental	U.S. Dollars	November 2024	167,130	167,085
Banco de Crédito del Perú	Soles	March 2025	80,000	-
Banco de Crédito del Perú	Soles	May 2025	70,000	-
BBVA Banco Continental	Soles	June 2025	150,000	-
Banco Internacional del Perú S.A.A.-Interbank	Soles	June 2025	188,000	-
Scotiabank Perú S.A.A.	Soles	June 2025	100,000	-
Banco de Crédito del Perú	Soles	June 2025	192,000	-
			947,130	167,085

As of September 30, 2024 and December 31, 2023, interest payable on bank promissory notes amounted to approximately PEN 20,928,000 and PEN 1,098,000, respectively, and are registered in the statement of financial position under "Trade and other accounts payable," note 9. As of September 30, 2024 and September 30, 2023, interest expense from bank promissory notes amounted to approximately PEN 22,975,000 and PEN 32,539,000, respectively, and are recognized in the income statement under "Financial expenses."

Notes to the separate financial statements (continued)

10.1 Bank loans

(a) As of September 30, 2024, and December 31, 2023, the balance of bank loans is as detailed below:

<i>In thousands of Soles</i>	Maturity	Guarantee	As of September 30, 2024	As of December 31, 2023
Bank loans (b) and (d)				
Banco de Crédito del Perú	October 2026	Not backed by guarantee	73,336	376,369
Scotiabank Perú S.A.A.	October 2024, March 2025 and January 2027	Not backed by guarantee	138,482	305,143
Banco Internacional del Perú S.A.A.	January 2027	Not backed by guarantee	93,600	111,150
BBVA Banco Continental	January 2027	Not backed by guarantee	182,057	466,193
Citibank (a.1)	October 2025	Not backed by guarantee	74,280	111,390
Bank of Nova Scotia (a.1)	September 2025	Not backed by guarantee	22,284	38,987
			584,039	1,409,232
Amortized cost			(1,279)	(1,970)
Total			582,760	1,407,262
Less – Current portion			277,720	299,265
Non-current portion			305,040	1,107,997

(a.1) The Company maintains swap contracts to reduce the floating rate risk related to these loans, note 20.A.

The Company has furnished a guarantee for the bank loans received by UNACEM Corp. S.A.A. up to a limit of PEN 773,299,000 as of September 30, 2024 (PEN 953,058,000 as of December 31, 2023).

(b) The financial covenants applicable to local financial liabilities are monitored quarterly and must be calculated based on (i) the separate quarterly financial information of the Company, and ii) the combined quarterly financial information of the Company and UNACEM Corp S.A.A. (as if the simple reorganization had not been carried out).

i) As of September 30, 2024, based on the Company's financial information, the main financial covenants fluctuate between the following ratios or coefficients:

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

In Management's opinion, the Company has complied with the financial covenants as of September 30, 2024 and December 31, 2023.

(c) As of September 30, 2024 and December 31, 2023, interest payable on medium- and long-term debt to bank entities amounted to approximately PEN 5,574,000 and PEN 7,890,000, respectively, and are registered in the statement of financial position under "Trade and other accounts payable," note 9.

Interest on medium- and long-term debt to bank entities as of September 30, 2024 and September 30, 2023, amounted to approximately PEN 47,781,000 and PEN 33,771,000, respectively, and is recorded in the income statement under "Financial expenses."

(d) As of September 30, 2024 and December 31, 2023, the Company maintained bank loans in Soles with effective annual interest rates ranging from 4.10 to 4.92% and 4.10 to 7.65%, respectively.

Notes to the separate financial statements (continued)

As of September 30, 2024 and December 31, 2023, bank loans in U.S. Dollars are at a floating rate plus a margin; as of September 30, 2023, the Company agreed with the financial entities to change the floating rate applicable to both loans, from 3-month LIBOR plus a margin ranging from 1.75% to 2.60% to 3-month SOFR plus a margin ranging from 2.01% to 2.86%.

11. Deferred Income Tax Liability

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of December 31, 2023
Deferred assets		
Provision for inventory impairment	6,123	4,858
Provision for vacation	182	300
Provision for quarry closure	2,494	3,051
Audit fees	92	119
Amortization of intangible assets	444	585
Pre-operating expenses	6,848	6,848
Depreciation of right-of-use assets	29	-
	16,212	15,761
Deferred liabilities		
Difference between tax base and fixed asset depreciation	(310,758)	(325,564)
Deferred asset related to stripping	(26,816)	(27,538)
Capitalized interest	(26,730)	(28,153)
Derivative financial instruments	(264)	(746)
Other provisions	(2,856)	(1,398)
Deferred fees from financial obligations	(356)	(527)
	(367,780)	(383,926)
Deferred income tax liabilities, net	(351,568)	(368,165)

- (a) The income tax expense shown in the income statement as of September 30, 2024 and September 30, 2023 comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of September 30, 2023
Current	(150,712)	(135,196)
Deferred	16,253	14,603
Mining royalty expense (19.c)	(3,264)	(3,609)
	(137,723)	(124,202)

Notes to the separate financial statements (continued)

12. Net Equity

A. Capital Stock

As of September 30, 2024 and December 31, 2023, the capital stock is represented by 2,156,485,445 subscribed and paid-in ordinary shares, with a par value of PEN 1 per share.

As of September 30, 2024 and December 31, 2023		
Shareholders	Number of shares	Shareholding percentage
UNACEM Corp. S.A.A.	2,156,485,444	100.00%
Digicem S.A. (formerly Transportes Lurín S.A.)	1	00.00%
	2,156,485,445	100.00%

B. 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.

C. Unrealized Profits or Losses

It refers to changes in the fair value of hedging financial instruments and the reserve on financial assets measured at fair value, net of their tax effect in both cases.

D. Retained Earnings – Dividends Declared

The Board of Directors' meetings held on January 31, 2024, April 26, 2024, July 24, 2024 and September 12, 2024, declared dividends corresponding to 2023 in the amount of PEN 36,418,000, PEN 35,103,000, PEN 34,151,000 and PEN 40,000,000, respectively.

13. Revenue from Ordinary Activities

This caption comprises the following:

<i>In thousands of Soles</i>	As of September 30, 2024	As of September 30, 2023
Sale of cement	1,878,969	1,888,099
Export of clinker (a)	82,706	100,035
Sale of blocks, concrete pavement and others (b)	62,110	46,949
	2,023,785	2,035,083
Timing of revenue recognition		
Assets transferred at a point in time	2,023,785	2,035,083
	2,023,785	2,035,083

(a) It refers to the export of the raw material to customers located in South America.

(b) It mainly refers to the sales made to Unión de Concreteras S.A., a related company, note 18(a).

Notes to the separate financial statements (continued)

14. Cost of Sales

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of September 30, 2023
Initial inventory of finished products and in-process products	6	245,680	187,459
Cost of production			
Fuel		301,875	343,973
Asset depreciation	7(b)	156,232	158,736
Depreciation of right-of-use assets		447	-
Personnel expenses		156,218	139,880
Use of raw materials		137,772	131,764
Maintenance of kilns, machinery and equipment		116,626	156,879
Electricity		87,698	98,243
Transportation of raw materials		42,844	57,456
Containers		64,096	79,870
Depreciation of deferred asset related to stripping	8	2,447	2,814
Other manufacturing expenses		207,554	222,790
Final inventory of finished products and in-process products	6	(259,763)	(238,139)
		1,259,726	1,341,725
Estimate for inventory impairment		4,289	340
		1,264,015	1,342,065

15. Administrative Expenses

This caption comprises the following:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of September 30, 2023
Personnel expenses		69,472	62,563
Services provided by third parties		14,672	13,118
Donations		26,243	21,406
Taxes		7,662	7,466
Asset depreciation	7(b)	2,965	2,717
Depreciation of right-of-use assets		394	-
Amortization of intangible assets		9	9
Others		8,321	4,547
		129,738	111,826

16. Other Revenue and other Expenses

As of September 30, 2024 and September 30, 2023, a provision was made for royalties in favor of the Parent Company for approximately PEN 83,795,000 and PEN 84,284,000, respectively.

17. Financial Expenses

It mainly refers to interest on medium- and long-term debt to bank entities. As of September 30, 2024 and September 30, 2023, it amounts to approximately PEN 70,756,000 and PEN 66,310,000, respectively. See note 10(b) and 10.1(c).

Notes to the separate financial statements (continued)

18. Transactions with Related Companies

(a) As of September 30, 2024 and September 30, 2023, the main transactions with related companies were as follows:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of September 30, 2023
Deposits			
Revenue from sale of cement			
La Viga S.A.		405,265	433,394
Unión De Concreteras S.A. (*)		240,645	196,272
Prefabricados Andinos Perú S.A.C.		907	704
Asociación UNACEM		466	258
Revenue from sale of blocks, pavements and others			
Unión De Concreteras S.A. (*)		59,620	43,879
Drake Cement Llc		2,490	2,067
Revenue from administrative, information technology and management support			
Compañía Eléctrica El Platanal S.A.		267	289
UNACEM Corp S.A.A.		2,766	3,597
Prefabricados Andinos Perú S.A.C.		439	463
Digicem S.A.		558	206
Inversiones Nacionales Y Multinacionales Andinas S.A.		324	192
Drake Cement LLC			
Vigilancia Andina S.A.		102	101
Generación Eléctrica Atocongo S.A.		124	124
Depósito Aduanero Conchán S.A.		165	95
Others		82	306
Revenue from rental of plant, premises and equipment			
Unión De Concreteras S.A. (*)		139	184
UNACEM Corp S.A.A.			
Depósito Aduanero Conchán S.A.		220	218
Prefabricados Andinos Perú S.A.C.		140	140
ARPL Tecnología Industrial S.A.		48	48
Vigilancia Andina S.A.		32	32
Others		71	33
Revenue from sale of clinker			
UNACEM Chile S.A.		76,337	61,919
Revenue from loan interest			
UNACEM Corp S.A.A.		33	2,647
Other revenue			
Calcem S.A.		1,418	-
UNACEM Corp S.A.A.		1	28
Compañía Eléctrica El Platanal S.A.		170	1,090
Inversiones Nacionales Y Multinacionales Andinas S.A.		-	110
Digicem S.A.		93	33
Others		3	9
Purchases and costs			
Dividends			
UNACEM Corp S.A.A.		145,673	95,589

Notes to the separate financial statements (continued)

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of September 30, 2023
Royalties for use of trademarks (b)			
UNACEM Corp S.A.A.		83,795	84,284
Purchase of electric energy			
Compañía Eléctrica El Platanal S.A.		72,109	82,998
Contract manufacturing (<i>maquila</i>) service			
Unión De Concreteras S.A. (*)		12,836	15,436
Fees and freights from sale of cement			
La Viga S.A.		23,818	28,767
Surveillance services			
Vigilancia Andina S.A.		16,597	16,331
Donations			
Asociación UNACEM		20,444	21,049
Technical assistance and consulting services			
ARPL Tecnología Industrial S.A.		18,578	19,172
Purchase of auxiliary materials			
UNACEM Corp S.A.A.		-	4,517
Unión De Concreteras S.A. (*)		7,596	4,383
Project management and engineering services			
ARPL Tecnología Industrial S.A.		10,099	8,861
Prefabricated works			
Prefabricados Andino Perú S.A.C.		-	4,990
Thermal plant operation service			
Generación Eléctrica Atocongo S.A.		3,105	2,566
Hydroelectric power plant operation services			
Compañía Eléctrica El Platanal S.A.		3,083	-
Warehouse management service			
Depósito Aduanero Conchán S.A.		2,768	2,649
Expense reimbursement			
Unión De Concreteras S.A. (*)		4,811	5,977
UNACEM Corp S.A.A.		2,514	4,745
ARPL Tecnología Industrial S.A.		1,753	588
Others			
Inversiones Nacionales Y Multinacionales Andinas S.A.		1,443	750
Unión De Concreteras S.A.		886	203
Drake Cement Llc		138	177
Digicem S.A.		-	114
Prefabricado Andino Perú S.A.C.		184	19
UNACEM Corp. S.A.A.		2	13
Compañía De Inversiones Santa Cruz S.A.		-	14

(b) It corresponds to 4.5% on the sale of cement without freight, invoiced monthly by UNACEM Corp. S.A.A.

(c) As a result of this and other minor transactions, as of September 30, 2024 and December 31, 2023, the Company records the following balances with its related companies:

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of December 31, 2023
Accounts receivable			
UNACEM Chile S.A.		175,947	131,402
Unión de Concreteras S.A. (*)		86,533	76,173
La Viga S.A.		39,967	30,623
Minera Adelaida S.A.		5,055	3,540

Notes to the separate financial statements (continued)

<i>In thousands of Soles</i>	<i>Note</i>	As of September 30, 2024	As of December 31, 2023
Drake Cement LLC		2,978	533
Calcem S.A.		1,674	-
Prefabricados Andinos Perú S.A.C.		904	219
UNACEM Corp. S.A.A.		341	-
Compañía Eléctrica El Platanal S.A.		293	74
UNACEM Non-profit Corporation		280	1
Digicem S.A.		51	24
UNA Business Services S.A.C (formerly Naviera Conchan S.A.)		50	27
Depósito Aduanero Conchán S.A.		45	26
Inversiones Nacionales y Multinacionales Andinas S.A.		23	8
Vigilancia Andina S.A.		18	5
Generación Eléctrica de Atocongo S.A.		16	-
Entrepisos Lima S.A.C.		12	-
Others		13	4
Total accounts receivable	5	314,200	242,659
Accounts payable			
UNACEM Corp. S.A.A.		9,973	19,677
ARPL Tecnología Industrial S.A.		5,185	12,974
Unión de Concreteras S.A. (*)		8,242	7,241
Compañía Eléctrica el Platanal S.A.		8,054	10,249
UNACEM Non-profit Corporation		5,799	-
La Viga S.A.		3,996	3,576
Vigilancia Andina S.A.		2,416	217
Depósito Aduanero Conchán S.A.		481	734
Inversiones Nacionales y Multinacionales S.A.		40	34
Drake Cement LLC		214	39
Prefabricados Andinos Perú S.A.C.		26	317
Generación Eléctrica de Atocongo S.A.		345	328
Others		-	6
Total accounts payable	9	44,771	55,392

(*) On January 1, 2024, Concremax S.A. was merged with and into by Unión de Concreteras S.A.

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.

- (d) The total compensations received by directors and key Management officers as of September 30, 2024 amounted to approximately PEN 25,340,000 (PEN 22,697,000 as of September 30, 2023), which includes short-term benefits and severance payment (CTS).

19. Commitments and Contingencies

A. Financial Commitments

As of September 30, 2024, the Company's main financial commitments include:

- Letter of guarantee issued in favor of the Ministry of Energy and Mines (MEM) by Banco Internacional del Perú S.A.A.- Interbank, in the total amount of approximately USD 1,245,000,

Notes to the separate financial statements (continued)

equivalent to PEN 4,622,000, maturing in January 2025, in order to guarantee compliance with the Mine Closure Plan of its mining concessions.

- Letter of guarantee issued in favor of the Ministry of Production by Banco Internacional del Perú S.A.A.- Interbank, for a total of approximately USD 7,026,000, equivalent to PEN 26,094,000, maturing in December 2024 and January 2025, in order to secure compliance with the Mine Closure Plan of its mining concessions.
- Letters of guarantee issued in favor of the National Superintendency of Tax Administration (SUNAT) in the total amount of PEN 17,513,000 and USD 1,692,000, equivalent to PEN 6,284,000 maturing in December 2024 and January, June, July, August and September 2024, in order to guarantee the customs tax debt.
- Letters of guarantee in favor of third parties, in the total amount of PEN 321,000, maturing in October 2024 and March 2025.
- Corporate guarantee granted jointly by UNACEM Corp S.A.A., UNACEM Perú S.A., Desert Ready Mix and Desert Aggregates in favor of the subsidiary Skanon Investments, for a total of USD 345,000,000, maturing in October 2026, in favor of the syndicate of banks that granted the debt for the acquisition of Tehachapi Cement.
- The Company is listed as guarantor for short-term financing (Bridge Loan) with BBVA Banco Continental in favor of TRANSMICEM S.A.C. in the amount of PEN 66,300,000, at an interest rate of 5.94%, maturing on November 27, 2024.

B. Tax Situation

Tax Rates

The Company is subject to the Peruvian tax system. As of September 30, 2024 and December 31, 2023, the income tax rate is 29.5% of the net taxable income determined by the Company.

The income tax rate applicable to the distribution of dividends and any other form of profit distribution is 5%, which is applicable to profit generated and distributed as of January 1, 2017.

Temporary Tax on Net Assets (ITAN)

The temporary tax on net assets rate is 0.4% for 2024 and 2023 applicable to the amount of net assets that exceed PEN 1 million. This tax may be paid in cash or in nine (9) successive monthly installments. The amount paid may be used as a credit against the advance payments of the General Income Tax System. A refund may be requested for any unused remaining balance.

The ITAN calculated for 2024 was PEN 14,858,000; the ITAN payment calculated for 2023 was PEN 14,049,000.

Transfer Pricing

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.

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, 2024 and December 31, 2023.

Notes to the separate financial statements (continued)

Tax Review by the Tax Authority

The Tax Authority has the power to review and, if applicable, to correct the income tax calculated by the Company for the four (4) years following the filing of the tax return. The income tax returns filed for the years 2021 to 2023 and the monthly value added tax returns for the periods from January 2022 to August 2024 are open for review by the Tax Authority.

As of September 30, 2024, the Company recorded an income tax provision amounting to PEN 150,712,000 and made advance payments for PEN 122,157,000. As of September 30, 2024 and December 31, 2023, the net balance payable of PEN 28,555,000 and PEN 27,093,000, respectively, is recognized in the statement of financial position under "Trade and other accounts payable."

C. Mining Royalties

This information remains the same as that contained in the note to the annual financial statements as of December 31, 2023.

As of September 30, 2024, the mining royalty paid to the Peruvian State amounts to approximately PEN 3,264,000 (see note 11).

The payments for this mining royalty are deductible for assessment of the income tax for the year in which payments are made.

D. Environmental Commitments

The Company's activities are subject to environmental protection laws. Such laws remain the same as those described in the note to the annual financial statements as of December 31, 2023.

20. Financial Risk Management Objectives and Policies

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

The Company's Senior Management oversees the management of these risks. For this purpose, the Senior Management is supported by the Financial Management, who advise them on the financial risks and the appropriate corporate framework for managing the Company's financial risk. The Financial Management provides assurance to the Company's Senior Management that the Company'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 the Company's risk-taking preferences.

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

A. Market Risk

Market risk is the risk 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; these will affect the Company's results or the value of its financial instruments. The objective of Management is to manage and control market risk exposures within established parameters, while optimizing returns.

The sensitivity analyses contained in the sections below relate to the financial position as of September 30, 2024 and December 31, 2023.

These sensitivity analyses have been prepared on the assumption that the amount of net debt, the ratio of fixed to floating interest rates on debt and derivative financial instruments, and the proportion of financial instruments in foreign currencies are all constant as of September 30, 2024 and December 31, 2023.

Notes to the separate financial statements (continued)

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. The Company's exposure to market interest rate risk relates primarily to long-term debt obligations with floating interest rates.

The Company minimizes this risk by using interest rate swap contracts (hedging derivative financial instrument) as a hedge against variability in the cash flows attributable to interest rate movements.

The Company determines the existence of an economic relationship between the hedging instrument and the hedged item based on the reference interest rate, the terms, the expiration dates and the notional or nominal amounts. The details of the hedging derivative financial instruments maintained by the Company are presented below.

Notes to the financial statements (continued)

▪ **Hedging Derivative Financial Instruments**

As of September 30, 2024 and December 31, 2023, the Company maintains two interest rate swap contracts designated as cash flow hedges and recorded at fair value. The details of these transactions are as follows:

<i>In thousands of Soles</i>	Reference amount USD (000)	Maturity	Received at a variable rate of:	Paid at a fixed rate of:	Fair value	
					As of September 30, 2024	As of December 31, 2023
Assets						
Citibank N.A.	50,000	October 2025	3-Month SOFR + 2.01%(*)	5.730%	422	1,117
Bank Of Nova Scotia	30,000	September 2025	3-Month SOFR + 2.86%(*)	5.695%	172	645
					594	1,762

(*) As of September 30, 2023, the 3-month LIBOR rate was changed to 3-month SOFR (Note 10.1 (d)).

The effective portion of changes in the fair value of derivative financial instruments that qualify as hedges is recognized as assets or liabilities, with an impact on equity. The effect recognized under “Unrealized profits/losses” in the statement of comprehensive income as of September 30, 2024 and December 31, 2023, amounts approximately to PEN 823,000 and PEN 537,000, respectively, and is recorded net of the effect on income tax.

The balance as of September 30, 2024 and December 31, 2023, amounts to PEN 594,000 and PEN 1,762,000, respectively, and is recorded under “Trade and other accounts receivable” (see note 5).

Likewise, as of September 30, 2024, and 2023, the Company recognized a financial income for these derivative financial instruments in the amount of approximately PEN 1,559,000 and PEN 1,918,000, respectively; said amounts were actually paid during the year and are presented in the income statement under “Financial income.”

Notes to the financial statements (continued)

Sensitivity to Interest Rate

The table below shows the sensitivity to a reasonably possible change in interest rates on the loan portion, after the impact of hedge accounting. With all other variables held constant, the Company's profit before income tax would be affected by the impact on floating-rate loans, as described below:

<i>In thousands of Soles</i>	Impact on profit before income tax	
	As of September 30, 2024	As of December 31, 2023
Increase / decrease in basis points		
-10%	(499)	(811)
+10%	499	811

The assumed movement in basis points related to the interest rate sensitivity analysis is based on the current market environment.

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, 2024, 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, 2024 and September 30, 2023, the fact of having balances in foreign currency represented for the Company a net gain of approximately PEN 2,723,000 (gain of approximately PEN 65,117,000 and loss of approximately PEN 62,394,000) and PEN 6,637,000 (gain of approximately PEN 24,854,000 and loss of approximately PEN 18,217,000), respectively; they are recognized in the income statement under "Exchange difference, net." Note 3 details the Company's position in foreign currency.

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 2024		Profit/loss for the period 2023	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)	5,764	(5,764)	8,622	(8,622)
USD (10% movement)	11,527	(11,527)	17,245	(17,245)

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 (in particular, due to commercial debtors) and financial activities, including deposits held in banks and financial institutions, foreign currency transactions and other financial instruments. The maximum exposure to credit risk for the items in the separate financial statements as of September 30, 2024 and December 31, 2023, is represented by the sum of the items of cash and cash equivalents, and trade and other accounts receivable.

Notes to the separate financial statements (continued)

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>	As of September 30, 2024				
	Carrying Amount	Less than 12 months	2 - 3 years	4 - 8 years	Total
Trade and other accounts payable	364,525	364,525	-	-	364,525
Other financial liabilities:					
Principal repayment	1,529,890	1,224,850	305,040	-	1,529,890
Cash flows from interest payment	-	57,024	11,288	-	68,312
Right-of-use liabilities:					
Amortization of principal	6,913	1,610	3,578	1,725	6,913
Cash flows from interest payment	-	437	513	71	1,021
Total liabilities	1,970,660	1,648,446	320,418	1,796	1,970,660

<i>In thousands of Soles</i>	As of December 31, 2023				
	Carrying amount	Less than 12 months	2 - 3 years	4 - 8 years	Total
Trade and other accounts payable	331,959	331,959	-	-	331,959
Other financial liabilities:					
Amortization of principal	1,574,347	466,350	1,060,426	47,571	1,574,347
Cash flows from interest payment	-	89,804	48,818	511	139,133
Total liabilities	1,906,306	888,113	1,109,244	48,082	2,045,439

D. Capital Management

As of September 30, 2024 and December 31, 2023, there were no changes in the objectives, policies or processes related to capital management.

Notes to the separate financial statements (continued)

21. Fair Value

A. Financial instruments measured at fair value and fair value hierarchy

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

<i>In thousands of Soles</i>	Level 2	Total
30 September 2024		
Financial assets		
Derivative financial instruments	594	594
Total financial assets	594	594

<i>In thousands of Soles</i>	Level 2	Total
December 31, 2023		
Financial assets		
Derivative financial instruments	1,762	1,762
Total financial assets	1,762	1,762

B. 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 the Management's 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:

<i>In thousands of Soles</i>	As of September 30, 2024		As of December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank promissory notes	947,130	974,927	167,085	169,234
Other financial liabilities	582,760	588,886	1,407,262	1,425,954

22. Subsequent Events

No significant financial and accounting events have been identified after September 30, 2024 that could affect the interpretation of these separate financial statements.